

AR26





## Financial highlights

| (Dollar amounts in millions; per-share amounts in dollars) | 1982     | 1981   | Percent<br>increase<br>(decrease) |
|--|----------|--|-----------------------------------|
| <b>For the year</b>  |          |  |                                   |
| Sales  | \$26,500 | \$27,240   | (3)%                              |
| Net earnings   | 1,817    | 1,652  | 10                                |
| <b>Per share</b>   |          |  |                                   |
| Net earnings   | \$ 8.00  | \$ 7.26  | 10%                               |
| Dividends declared   | 3.35     | 3.15   | 6                                 |
| Market price range   | 100-55   | 69 <sup>7</sup> / <sub>8</sub> -51 <sup>1</sup> / <sub>8</sub> |                                   |
| <b>At year end</b>   |          |  |                                   |
| Total capital invested                                     | \$12,415 | \$11,524   | 8%                                |
| Share owners' equity                                       | 10,198   | 9,128  | 12                                |
| <b>Measurements</b>  |          |  |                                   |
| Operating margin as a percentage of sales                  | 9.1%     | 9.0%   |                                   |
| Earnings as a percentage of:                               |          |  |                                   |
| Sales  | 6.9      | 6.1  |                                   |
| Average share owners' equity                               | 18.8     | 19.1   |                                   |
| Average total capital invested                             | 17.1     | 17.4   |                                   |
| Borrowings as a percentage of total capital                | 16.5     | 19.4   |                                   |

**“Whether it’s bringing new technologies and services to the marketplace or revitalizing our strong core businesses, we want GE to be a place where the bias is toward action — a high-spirited, world-class enterprise that uses the resources of a large company but moves with the agility of the youngest and smallest.”**



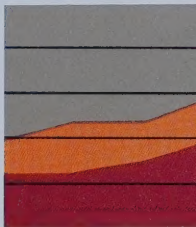
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## To our share owners

**D**espite deep and prolonged worldwide recession, General Electric is financially stronger today than a year ago, with both earnings and balance sheet significantly improved.

GE earnings of \$1.817 billion — \$8.00 per share — were 10% ahead of 1981, on slightly lower sales of \$26.50 billion.

The Company's return on equity was 18.8%. Return on sales rose to 6.9%. Debt-to-capital ratio at year end was reduced to 16.5%.



Chairman and Chief Executive Officer John F. Welch, Jr. (seated) and Vice Chairmen and Executive Officers Edward E. Hood, Jr. (standing) and John F. Burlingame (right) constitute General Electric's Corporate Executive Office.

**In this letter, the Corporate Executive Office** would like to highlight some of the actions we are taking to position GE for the future — steps toward our goal of making our businesses Number One or Number Two in their markets, of making General Electric the most competitive enterprise in the world.

Major moves can be seen in four areas:

First, the shifting mix of GE businesses toward high-technology products and high-growth services — supported by heavy R&D investment and an accelerated rate of acquisitions and dispositions.

Second, record investments in productivity, combined with cutting overhead costs, to meet higher margin expectations.

Third, our efforts in the public-policy arena aimed at creating an atmosphere of free and fair trade — a critical element for a healthy, growing U.S. economy.

And fourth, creating a climate throughout the Company that not only attracts the most talented people, but also permits their talents to grow. A climate where the organization can move as quickly as a good idea can carry it.

Looking at 1983, we believe GE is well-positioned to take advantage of any improvement in the economy. Our major concern about the economy lies with interest rates. Uncertainty over fiscal and monetary policy in the face of increasing deficits could lead to higher interest rates and stall recovery in its early stages.

**GE's shifting mix:** Our strong position for 1983 and beyond derives from GE's unique strengths — its people and its technical and financial resources — which are being focused increasingly on high-technology products and high-growth services markets to meet the world's changing needs. Increasing in relative importance to GE sales and earnings are such high-technology businesses as medical systems, aerospace, plastics and other proprietary materials; and such service businesses as General Electric Credit Corporation, General Electric Information Services Company, and construction, engineering and nuclear services.

The last decade has seen a dramatic shift in our business mix — from the old to the new, from relatively mature businesses to those in their high-growth stages. At the start of the 1970s, three-fourths of our earnings came from traditional electrical manufacturing businesses. By year-end 1982, our dependence on these for earnings had been reduced to under 40%. Their contribution is still substantial and, in absolute terms, the earnings from these businesses grew since 1970 from \$200 million to \$600 million.

But GE's greatest earnings growth has come from such non-traditional businesses as services, providing 21% of Company earnings in 1982, compared with 14% in 1970;



materials, 28% of earnings last year, compared with 8% in 1970; and aircraft engines, 9% of earnings last year, versus virtually no contribution in 1970.

Our emphasis on fast-growing high-technology and services markets has led GE to make both acquisitions and dispositions at an accelerated rate. Over the past two years, we have completed 118 transactions involving acquisitions, joint ventures and formations of new companies, including the acquisition of Intersil and Calma to support our efforts to become the world leader in factory automation. There were also dispositions of 71 businesses that didn't fit our strategy. These transactions involved \$1.5 billion: roughly \$1 billion for acquisitions and \$500 million received for dispositions.

The most significant transaction — announced in late January 1983 — is the proposed sale, for about \$2.4 billion, of most of GE's holdings in Utah International Inc. to The Broken Hill Proprietary Company Ltd. (BHP), an Australian industrial and natural resources company. This transaction provides a unique strategic opportunity for both companies. For GE, it will enable us to focus our unique strengths on fast-growing high-technology and services markets. For BHP, it will broaden both product and geographic base, and it will increase Australian ownership of one of that nation's important natural resources.

Last year's heavy expenditures for research and development support our increasing shift to high technology. While the total was about equal to 1981's record levels, the long-range "futures" part of our R&D was up more than 20%. This work is carried out mainly at the corporate Research and Development Center in Schenectady, N. Y., where we just completed a \$130 million expansion, including construction of an advanced electronics laboratory. In 1982, we also completed our microelectronics research, development and production unit at Research Triangle Park, N. C., and our industrial electronics facility in Charlottesville, Va.

**Productivity investments:** While our shift to high technology has been significant, we have also been upgrading our core businesses. During 1982 there were strong cost-improvement efforts and major plant and equipment expenditures to increase productivity and assure the competitiveness of these important traditional GE businesses.

We have reduced our costs to lower break-even points — an important factor in producing 1982's earnings growth. But most of the benefits from reduced costs will come in future years, both quantitatively as volume picks up and, above all, qualitatively as we become a leaner, more competitive company with early responses to market changes.

Although 21% below 1981, plant and equipment investments of \$1.6 billion in 1982 included continuing record levels of expenditures for productivity improvements.

The most significant were factory-automation investments to strengthen the future cost and quality competitiveness of such important core businesses as locomotives, turbines, motors, lighting and major appliances.

**Free and fair trade:** Inextricably tied to our efforts to make GE the most competitive enterprise in the world is the necessity to make America more competitive. Regaining world-class competitiveness, in our view, is one of the most pressing challenges for the U.S. today.

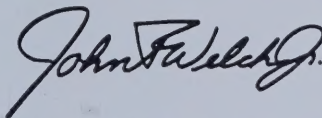
While we continue to expand our international position in a wide range of products and services, and in innovations like the newly formed General Electric Trading Company, we also need U.S. public policies consistent with world-wide competitiveness — notably free and fair trade. Rising pressures for protectionism both here and abroad threaten this nation's ability to compete in world markets, one of the main engines of economic growth, prosperity and jobs.

Helping to create public understanding and support for policies that will allow America to be more competitive in world markets — thereby creating more jobs at home — is an important responsibility for our Company.

**Our people:** In the end, though, General Electric's own competitive strength rests with our people. How competitive we are depends upon the climate we create for them — their eagerness to dream, their willingness to dare.

Whether it's bringing new technologies and services to the marketplace or revitalizing our strong core businesses, we want GE to be a place where the bias is toward action — a high-spirited, world-class enterprise that uses the resources of a large company but moves with the agility of the youngest and smallest.

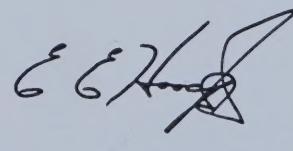
Of all the values we seek to foster, personal excellence is the most important to the success of our Company. We have great expectations for what can take place when people are challenged — challenged to take what they have that is good, and make it better. Then make the better best.



John F. Welch, Jr.  
Chairman and  
Chief Executive Officer



John F. Burlingame  
Vice Chairman and  
Executive Officer



Edward E. Hood, Jr.  
Vice Chairman and  
Executive Officer

February 18, 1983







Left: Microelectronic circuits are inspected under 400X microscopes in the clean-room facility at General Electric's new Microelectronics Center near Raleigh, N.C.

Below: A new wing featuring an advanced electronics and computer science laboratory at the Company's R & D Center in Schenectady, N.Y., is formally dedicated in October ceremonies held in the atrium of the expanded facility.



## To be the most competitive enterprise in the world, GE is . . .

- *Moving boldly for leadership in new technologies and services.*
- *Making major productivity investments in its traditional industrial and consumer businesses for superiority in quality, cost and value.*
- *Taking a leading role in world trade — as America's largest diversified exporter, as an international marketing innovator through the General Electric Trading Company, and as an advocate of free and fair world trade.*
- *Creating a climate for excellence, innovation, creativity and entrepreneurship.*

This section describes highlights in these important areas.

### Serving high-technology markets

**H**igh technology represents one of the Company's key long-term shifts in its business mix — backed up by heavy investment in research and development and by strategic acquisitions.

GE's approach to high technology embraces not just its discovery but, equally important, its application. Although the revolutions in electronics and materials are in full swing, the real revolution — improving the way people live and work — is just beginning. And General Electric is helping to lead this revolution in a variety of fast-growing or high-potential markets.

In medical systems, for example, GE has embarked on its largest medical product-development program ever, one aimed at developing nuclear magnetic resonance (NMR). This new technique can "see" into the body without using x-rays. Some experts believe NMR will eventually replace many conventional diagnostic techniques and may even be able to give early warning of heart attack or stroke. In the mid-1970s, a similar product-development effort led to the "fan beam" CT scanner, which enabled GE to become the world leader in the \$4 billion diagnostic-imaging market.

In the industrial automation business, GE is making an all-out effort to pioneer the development and marketing of the automated factory. GE believes the automated factory, because of its advantages in product quality and productivity, will not only be the factory of the future, but the factory most likely to have a future.





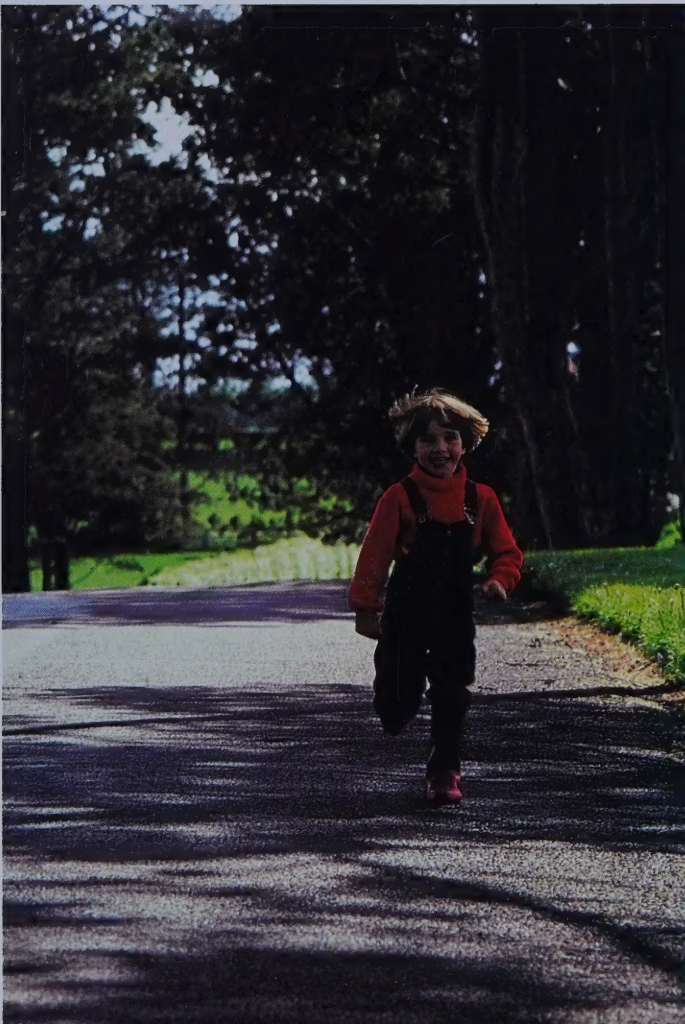
Right: Parked outside a European town hall, this new Ford Sierra has an all-plastic bumper system made of Xenoy<sup>®</sup> thermoplastic resin from GE. Developed in Europe, Xenoy resin is being used by other car manufacturers as well.





**Left: Two GE technicians discuss the capabilities of a new gate array integrated circuit designed on the Company's Calma CAD system at its Microelectronics Center in North Carolina.**

**Below: General Electric's medical systems help bring good things to life, a statement that seems etched on the face of a young Irish boy who had a mild kidney infection. A GE nuclear medicine system in Dublin helped identify the difficult-to-diagnose renal condition, speeding his recovery.**



**L**ess than two years ago, GE began assembling its factory-automation package. Calma was acquired for its computer-aided design (CAD) capability, Intersil for its integrated circuit strength. The Research and Development Center contributed its know-how and completed its new electronics and computer science laboratory. The Microelectronics Center was established at Research Triangle Park, N.C. Programs included entry into the robot and intelligent-vision markets and development of the vital Mark Century® 2000 numerical control, a new family of programmable controllers and the GEnet® system that enables intelligent machines to communicate with each other.

The 1982 International Machine Tool Show in Chicago provided the forum for introducing General Electric's capability in automation products and systems. Beyond displaying the excellence of individual products and services, the show allowed GE to demonstrate the critical ability to integrate them. The result was a working demonstration of factory-automation technology that had for decades been little more than the speculation of futurists.

**G**eneral Electric's high-tech capabilities have made it a leading U.S. defense contractor, with many of its aerospace products and aircraft engines vital to national security.

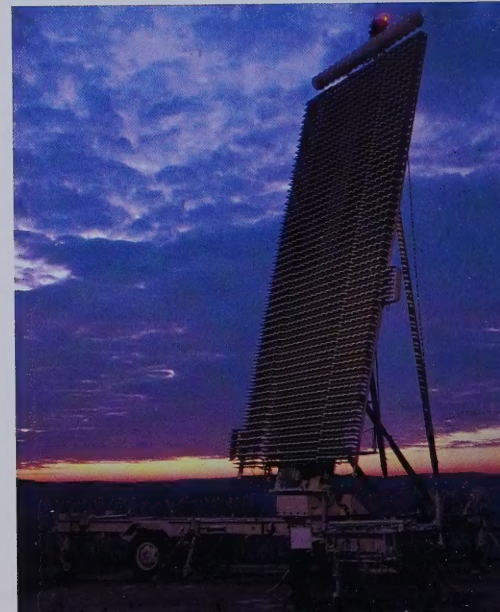
GE's aerospace business also developed two satellites which were launched in 1982. One of these, for NASA, was Landsat 4. It provides a more detailed view of the earth than ever before possible, helping to locate and manage such resources as oil, mineral deposits, water, crops and forests.

GE's aircraft engine business is working on advanced technologies to improve engine performance and fuel consumption for tomorrow's aircraft. One project is the Energy Efficient Engine, or E<sup>3</sup>. Tests already indicate it can reduce fuel consumption by at least 8% over the most efficient turbofan engine in operation today. For a typical major airline, that 8% could mean annual fuel savings of \$11 million.

In materials, GE is one of the high-technology leaders in creating plastics with such extraordinary new properties that it's been said the 1980s may become known not just as the decade of microelectronics, but of materials as well.

The new Xenoy® plastic, for example, is so strong it's being used in bumper systems on nine European car models. Such advanced engineering thermoplastics replace metals, reducing energy and production costs.







The revolution in materials at GE is driven not just by technological invention but by General Electric's ability to apply these materials to society's changing needs. For example, GE industrial diamonds for grinding and silicones for sealing joints are being used to restore roads — an effort being given increasing attention as part of the campaign to repair America's aging infrastructure.

**B**acking up GE's high-technology businesses is the Company's R&D Center in Schenectady, N.Y. A place for people with new ideas, the Center has undergone a three-year, \$130 million expansion in buildings and equipment that increased its size by almost 50%.

A significant part of that investment is aimed at positioning GE at the leading edge of microelectronics. New laboratories at the R&D Center will allow GE scientists to design ever smaller and faster microcircuits for a wide range of General Electric products and services, from industrial robots that "listen" and "see," to kitchen appliances that "think."

## Providing services that solve problems

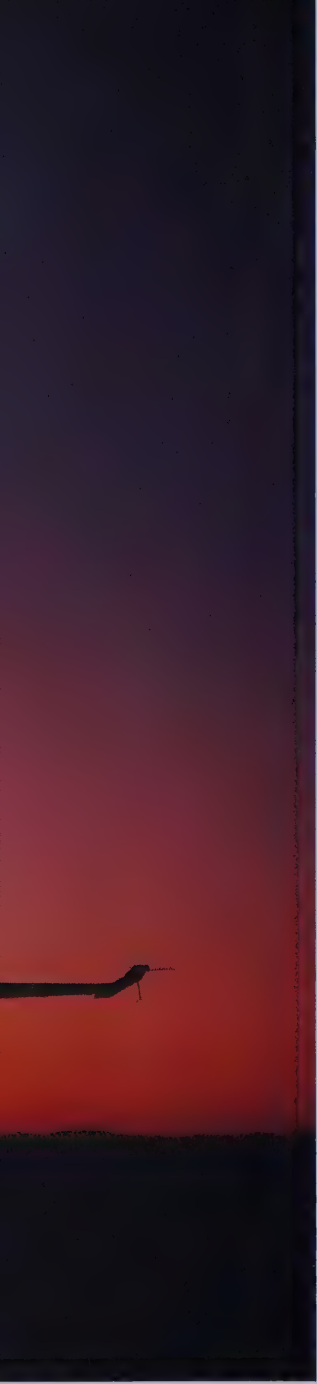
**G**eneral Electric's mix of businesses is also shifting to high-growth services.

The old services sector of the economy, which was labor-intensive, is giving way today to a new services sector — the new frontier of today's economy — in which creativity and technology are the driving forces.

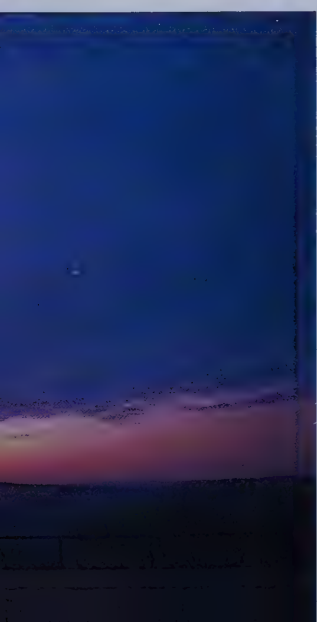
With the quickening tempo of both business and personal life, more services are desired — and more are desired in a hurry. Many companies will be able to provide these services with speed and in volume. But in GE's view, the critical issue will be not the quantity, but the quality of the service — whether it's accurate, whether it's timely, whether it works. This often calls for a total solution — often a system solution — to a problem.

Today, the Company's services businesses are providing solutions to financial, information, consumer, energy and engineering problems.

Creative solutions, for example, have helped General Electric Credit Corporation (GECC) become the nation's largest diversified finance and leasing company with more than \$12 billion in net earning assets. GECC has, in the words of a recent *Business Week* cover story, "rapidly developed the capacity to come across with financing on a scale, and with a creative flair, that makes it one of the largest and most aggressive sources of capital for business. . . . Coming up with innovative ways to solve corporate financing problems is GECC's forte . . . At GECC, a corporate customer can now find money to help erect or equip an



**Above:** The aerodynamically advanced Northrop F-20 Tigershark aircraft features multimode radar, mission display and jet engines produced by GE.



**Below:** A GE solid-state radar undergoes testing near Syracuse, N.Y., before shipment to Egypt. Total 1982 radar orders exceeded \$300 million, including initial production of over-the-horizon radar for the U.S. Air Force.







Left: General Electric Credit Corporation financed a cogeneration system at this paper mill in Maine. The mill burns sawdust, bark and other wood waste byproducts to drive its GE steam turbine-generator, which supplies power to a local utility and enough processed steam for the mill's needs.

Below: Park View Hospital in Nashville, Tenn., is one of almost 200 Hospital Corporation of America member hospitals using General Electric Information Services Company's worldwide teleprocessing network to track patient accounting and financial reporting.



entire plant, launch a takeover, consummate a merger, drill for oil and gas, or develop a real estate project . . .”

Information services are provided by the General Electric Information Services Company, which has expanded beyond its pioneering concept of computer timesharing to providing sophisticated software solutions and worldwide distributed data processing.

The worldwide market for software and computing services is estimated to be growing at 17% or more annually, reaching \$150 billion by 1992. Key segments for GE Information Services are banking and financial management, energy data assimilation, manufacturing and general business applications. Software packages from GE helped American Express, for example, develop faster and more consistent methods of consolidating its financial data and have helped companies like Levi Strauss keep track of inventory and orders — system solutions to highly complex problems.

Innovative consumer services were introduced last year with the goal of strengthening a direct, personal relationship with customers. Research shows that most consumers say information from national manufacturers is hard-to-find and confusing. That's why The GE Answer Center® information service was launched. Describing the Answer Center, ABC's Eyewitness News said it was “revolutionizing the way people buy and use products.” By calling (800) 626-2000, the consumer can get information on any aspect of the Company's more than 100 consumer product lines.

Taking the pulse of the consumer, GE also found that 40% of consumer households indicated a preference for doing their own major appliance repairs. The market-oriented response: the Quick Fix® system, where the Company offers more than 100 most-often-used appliance parts and five clearly written instruction manuals.

In energy-related services, General Electric has begun offering electric utility customers a facilities life extension program to restore aging plants to their original efficiency for as little as one-fifth the cost of a new one. This could help relieve current financial pressures on the domestic electric utility industry and is a good fit with the Company's own design, engineering, installation and other service skills.

In construction and engineering services, GE capability is represented by more than 36,000 people in 367 locations worldwide. They enable GE to provide total engineering and support service on projects ranging from stringing power lines to constructing a complete power plant, from servicing existing GE equipment to developing new energy-technology systems.





Right: The Atlanta/Fulton County Stadium, site of this National League baseball playoff game between the St. Louis Cardinals and Atlanta Braves, is bathed in light from an energy-efficient lighting system from GE. Installed in 1982 by the Lighting Systems Department, it reduces the stadium's electric bill yet increases illumination.





Left: The GE Answer Center<sup>®</sup> service handles more than 4,000 calls per day from consumers who dial a toll-free number (800-626-2000) for information on GE consumer products and services. Located in Louisville, Ky., the center serves the nation 24 hours a day, seven days a week.

Below: Technology can open up new markets, as happened with the quartz tubing developed and produced by GE for its lighting business and now sold to the communications industry for fiberoptic applications.



## Investing in productivity — new factories in old shells

**I**f productivity, *The Economist* magazine recently had this to say: “Although productivity is the engine of growth, it is not self-starting.”

While the recession has postponed productivity investments for many companies, GE’s healthy balance sheet has enabled it to keep that engine running. In 1982, the Company continued to make record levels of productivity investments aimed at maintaining cost and quality leadership in many of its traditional businesses — thus reaffirming General Electric’s commitment to important industrial and consumer markets.

GE is determined to take advantage of the many opportunities for improving productivity that are made possible now by new technologies, especially computer-aided design and manufacturing (CAD/CAM), robotics and other systems that help create much more efficient factories.

In many instances, these productivity investments have created, in effect, a new factory in an old shell.

**A**t Erie, Pa., for example, the frames for the Company’s diesel-electric locomotive motors are now being machined in a fully automated system within revitalized, existing factory space. A central computer controls all job sequencing, material movement and machining. Manufacturing time has been reduced from 16 days to one; productivity gains are estimated at 240%.

In Somersworth, N.H., a six-story structure, originally built as a textile factory in 1922 and acquired by GE in 1947 for use as a meter plant, is still a meter plant, but is now also a showplace for factory automation with numerical controls, robots and an automated warehouse system. The plant is one of six factories cited by the U.S. Department of Commerce as a good example of productively reusing older, multilevel industrial buildings.

The Company’s turbine businesses spent nearly \$23 million on productivity projects in 1982, continuing a redirection from capacity- to productivity-oriented investments. These 1982 programs will, upon completion, result in an estimated annual savings of almost \$21 million. One example: CAD/CAM technology in large steam turbine now makes possible the rapid production of any of 30,000 parts a customer might urgently require.

At the Fort Wayne, Ind., motor plant, a new computerized inspection system automatically tests GE motors,



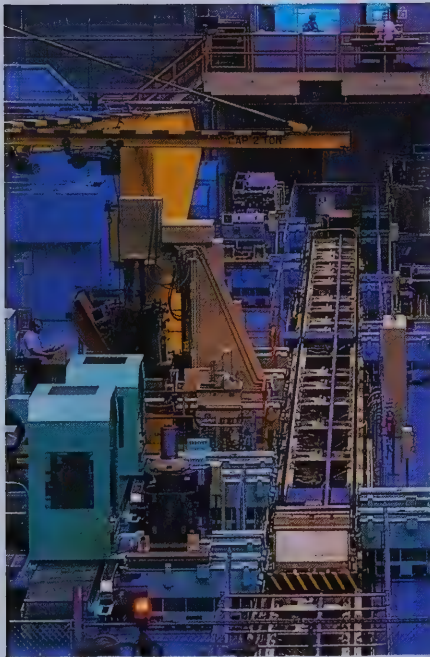




**Left:** This multimillion dollar Learning and Communications Center opened in Erie, Pa., in 1982 to provide training and retraining programs for employees there as well as technical services for the Company's railroad customers.

**Below left:** A \$38 million investment in state-of-the-art manufacturing and testing processes is turning the Company's plant in Louisville, Ky., into the world's most modern dishwasher factory.

**Below right:** The fully automated motor frame machining line stands as the centerpiece of a \$316 million investment being made in the Company's locomotive business. About half the GE locomotives produced in this Erie, Pa., plant are sold to overseas customers.



improving productivity by more than one-third. The prototype of a fully automated assembly line was also developed as part of the motor business's \$49 million productivity-investment program in 1982.

Productivity improvements helped the major appliance business dramatically reduce its break-even point in 1982. In addition, a \$38 million automated dishwasher factory in Louisville, Ky., will assure GE continuing leadership in this market.

In lighting, investments of \$58 million in 1982 were made to maintain low-cost production of quality lighting. Major projects involved new manufacturing equipment that improves machine speeds — critical to productivity in a business where, literally, millions of bulbs are produced each day.

While productivity has become a tired, well-worn word to some, GE is convinced that it is a remarkably straightforward concept that is essential to the continuing leadership of many of General Electric's businesses in highly competitive world markets.

## Advancing world trade

**A** characteristic of the continuing evolution of General Electric is its increasing international breadth. More than a third of GE earnings and revenues come from foreign markets. And a considerable amount of the Company's growth potential lies in international markets, as more countries get onto the development ladder and need General Electric's mix of products and services.

Major international transactions in 1982 ranged from a \$62 million order from Indonesia for locomotives, spare parts and services to a \$98 million order for gas turbines from the Saudi Consolidated Electricity Company. Orders shipped last year made GE America's leading diversified exporter with 1982 exports totaling almost \$4 billion.

The Company in 1982 continued to expand its international position in high-technology products and high-growth services. As examples, GE opened man-made diamond production facilities in Ireland, expanded plastics businesses in Europe and formed joint ventures in Japan in medical systems, plastics and industrial electronics.

Utah International Inc., a consolidated affiliate, has been working to increase its worldwide competitiveness in the mining and marketing of coal, iron ore and other mineral resources. In 1982, Utah built a steam coal





SAAB-FAIRCHILD 340  
SERIAL NO. 1111  
YEAR 1981  
ENGINE NO. 1111  
TRANSFER OF A



EMERGENCY EXIT  
DO NOT OPEN  
DO NOT OPEN

SAAB-FAIRCHILD 340



Left: GE turboprop engines are being shipped to Sweden for installation on the SAAB-Fairchild 340 aircraft. The first shipment was in August.

Below: World-class competitiveness helped Canadian General Electric (CGE) sell hydraulic turbines and generators to Pakistan for power generation at Tarbela, where one of the world's largest earthen dams holds back the Indus River. Installation of the four units will be completed by CGE in early 1983.



preparation plant in Kentucky and began construction of a jointly owned coal export terminal in Virginia to better serve the European market. Strong cost competitiveness enabled Utah's Australian coking coal operation to sign its first long-term contract with Egypt and to increase long-term tonnage to India and South Korea.

**T**he formation of the General Electric Trading Company in 1982 signaled an even larger future role for GE in world trade — that of helping to pull large numbers of other U.S. businesses into the international arena. Drawing on the parent Company's expertise and resources, the new trading company is expected to open world markets to many small and medium-sized manufacturers.

GE is also working in public opinion and policy forums to help generate greater understanding of the importance of free and fair trade, which is in greater jeopardy today than at any time in the past 50 years.

The economic health of America is directly related to a free and fair trading system, with an estimated five million U.S. jobs and 7% of the nation's GNP dependent on world trade.

Free trade has been one of the main vehicles for prosperity since World War II. As *The New York Times* put it recently, "The critical point is: The world economy grows when trade grows. . . . All countries should be pledging not to erect new and damaging barriers to trade."

## Becoming the most competitive enterprise

*Some reflections on tomorrow's General Electric Company*

**H**ow realistic is it for GE to aim at becoming the most competitive enterprise in the world?

The goal is an immense challenge. But it is not an unreasonable one because General Electric has been fortunate enough to assemble a talented — and in many ways unique — team of men and women. GE's "corporate culture" is dominated by the skills, perseverance, vision and ambition of its employees.

Becoming the world's most competitive enterprise will require extraordinary effort in all aspects of management and individual performance. Following are some of the people-related actions that are being taken to create the best possible climate for excellence, innovation, creativity and entrepreneurship. The Company is:

- Setting ever-higher standards in the recruitment of the top talent from the outstanding people available in the world today.

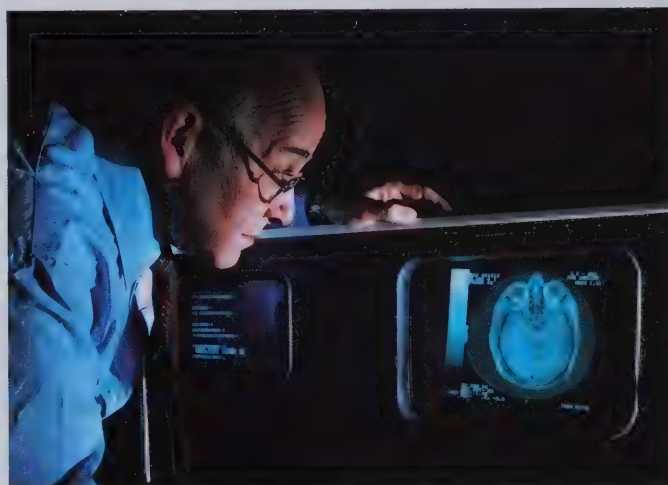


The employees in these pictures are representative of the thousands of GE people who are contributing to their Company and their communities.

Left: Quality circles, such as this one meeting in the Louisville refrigerator components factory, have helped GE businesses improve quality and productivity.

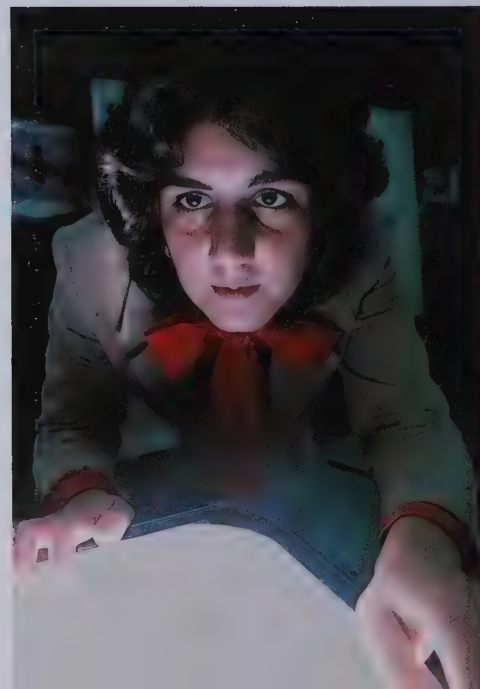
Above right: Senior engineer George Schmidt contributed to Power Systems' productivity efforts by developing a machine to provide on-site service for large steam turbine rotors. Schmidt's device results in a 30% productivity improvement.

Right: A research scientist at the Industrial Electronics Development Laboratory in Charlottesville, Va., Dr. Luis Garces helped develop the high-performance ac servo that fills a critical gap in factory automation by expanding the applications of standard ac motors into robots, programmable controllers and machine tools.



Right: GE's Medical Systems Operations presented Dr. Rowland Redington with a "Visions in Medicine" award for his technical contributions to the "fan beam" CT scanner. Redington, who holds 20 patents, now heads the R&D Center team that is working with Medical Systems researchers to develop nuclear magnetic resonance for medical diagnostics.

Far right: Dr. Elizabeth Kruesi has established a national reputation in the field of "software psychology." Manager of software management research in the Space Systems Division, she's leading a government-funded research team developing software methodology that will affect the way computer professionals perform their jobs.







- Providing generous and consistent support to the institutions that help educate General Electric's most essential resource.
- Developing innovative professional training programs — for new and present employees alike — that recognize the evolution of new technologies and other vast changes occurring throughout industry in the very nature of individual jobs.
- Working hard to preserve and deserve a reputation for treating people fairly and providing realistic guidance and assistance in developing new skills. The Company's U.S. labor settlement achieved in 1982, for example, sought to give equitable and positive recognition to the retraining needs of employees in a time of shifting industrial needs.

**T**his Annual Report contains evidence of real progress in many areas. There is a sense of momentum — throughout the Company — toward the kind of excellence and emphasis on quality that can be accelerated further toward the goal of worldwide competitive leadership.

But General Electric is a very large enterprise. For GE to achieve world leadership, many people — at all levels — will have to be personally committed to excellence, to innovation, to individual entrepreneurship. Such dedication and drive will not be achieved through wishful thinking.

At the heart of the Company's success are broad-based systems of rewards for achievement that give personal meaning to the Company's overall quest for excellence. Success depends entirely on the personal involvement of General Electric men and women throughout the Company. *Being a part of the world's most competitive enterprise must be a rewarding experience for all concerned; that is the chief focus of GE's managerial philosophy.*

**I**n addition to tangible rewards, working with a Company that seeks to be the most competitive in the world can't help but build employee pride and belief in the future. And for share owners there will be not only a new confidence and assured growth but also a sense of participating in the excitement of competing — and winning — in the world economic arena.

In short, there is a real opportunity for GE — through its people — to become the world's most competitive enterprise. Serious responsibilities go with aspiring to such a goal, and maintaining such world leadership after it is achieved will be an even tougher challenge, but that's what makes the Company's future so exciting.



## Power Systems

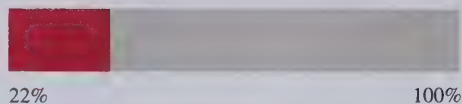


**Herman R. Hill**  
Executive Vice President  
and Sector Executive  
Power Systems Sector

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues      | \$6,208 | \$5,982 | \$5,815 | \$5,124 | \$4,846 |
| Net earnings  | 362     | 224     | 201     | 183     | 156     |

### 1982 Revenues

as percentage of GE total



### 1982 Earnings

as percentage of GE total



**D**ependence upon U.S. electrical load growth continues to lessen as the Power Systems businesses evolve from electrical equipment manufacturers to diversified worldwide suppliers of energy-conversion systems and engineering services, both growing markets. Revenues in 1982 included billings to customers for environmental systems and compressors — businesses GE was not in three years ago. To sharpen the focus on expanding opportunities in services, the Company's field installation and service engineering and apparatus service shops were integrated organizationally.

Reflecting this continuing shift in emphasis, 32% of 1982 revenue was from domestic utilities, down from 41% in 1977. Of 1982 revenue, 42% came from services activities, up from 30% in 1977.

**1982 earnings were up substantially** on a modest increase in revenue as a result of significant improvements in employee productivity and a shift to higher-margin services.

Turbine sales were approximately the same as 1981, although earnings improved modestly as a result of tightened controls on costs and working capital. Slightly lower earnings in steam turbine operations were more than offset by a recovery of gas turbine profitability from the low 1981 level. The 1982 year-end orders backlog for steam turbine-generators was \$2.3 billion, compared with \$2.7 billion the previous year. Approximately \$900 million of the 1982 backlog (\$1.2 billion in 1981) was scheduled for shipment five years or more in the future.

Sales and earnings from construction and engineering services were up in 1982. Strong performances in international construction operations and domestic engineering services more than offset a recession-driven decline in domestic apparatus repair markets.

Power delivery and transformer earnings were up sharply on lower volume. Cost-control measures continued in traditional product lines experiencing sluggish market conditions. Opportunities in emerging growth markets were pursued aggressively. Substantial orders were received for high-voltage direct-current (HVDC) transmission systems and new products aimed at serving worldwide energy-conservation needs.

Nuclear power business profitability increased sharply in 1982, due to substantially increased customer demand for technology support services as well as emphasis on cost control. The Sector expects this demand level to be maintained as utilities strive to maximize return on their major plant investments. The first unit of the current reactor product line (BWR-6) successfully completed its initial year of commercial service in 1982. The backlog of orders for all types of nuclear products, including fuel and services, declined to \$2.6 billion at year-end 1982 from \$3.6 billion at year-end 1981, reflecting the cancellation of seven domestic reactor systems. About 21% was scheduled for completion or delivery five years or more in the future (44% at the end of 1981). Even though the Nuclear Waste Policy Act of 1982 has been enacted, there continue to be unresolved issues regarding responsibility for the disposition of spent fuel under several nuclear fuel contracts which were entered into more than a decade ago.



## Industrial Products



**Louis V. Tomasetti**  
Executive Vice President  
and Sector Executive  
Industrial Products Sector

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues      | \$4,215 | \$4,871 | \$4,690 | \$4,375 | \$3,897 |
| Net earnings  | 234     | 242     | 225     | 171     | 151     |

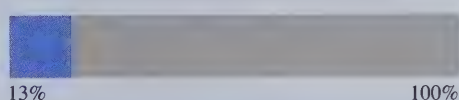
### 1982 Revenues

as percentage of GE total



### 1982 Earnings

as percentage of GE total



Industrial Products revenues were down 13% in 1982 due to generally depressed markets for construction and capital goods. Net earnings were down only 3%. This resulted from strong operating performances by transportation systems, dc motor and generator, appliance control and international contractor equipment businesses, and included the favorable effect of stringent inventory reductions which caused last-in first-out (LIFO) credits to operations.

Major emphasis in 1982 was on reducing overhead in all businesses, focusing substantial investment on productivity and reassessing Sector strategies. This reassessment triggered further cost reductions by pruning low-margin product lines and trimming organization structure. It also identified leadership businesses where added investment was needed despite depressed market conditions.

Sector businesses continued to meet customer needs

with improved products and better quality and service:

The motor business expanded its Energy Saver<sup>®</sup> line to help customers lower energy costs.

The dc motor and generator business's 4000 line of medium motors, introduced in 1982, further extended GE leadership in product life and reliability.

Appliance control introduced pressure switches for new cars which cycle air conditioning compressors based on need for cooling, improving fuel efficiency.

Distribution equipment concentrated on improving delivery and service, and introduced the Micro Versa Trip<sup>®</sup>, a solid-state device for improved circuit protection.

General purpose control introduced the 300 line motor starter and shortened delivery time of its motor control centers.

The programmable lighting control business was expanded to offer a total energy-management system.

General Electric Supply Company (GESCO) invested in systems and facilities to improve product availability.

**Transportation systems earnings** increased mainly because lower costs and favorable inflation recovery offset lower volume. Products include diesel-electric and electric locomotives, and drives and drive systems for off-highway vehicles, transit vehicles and oil-drilling rigs.

Contractor equipment had a decline in volume but earnings improved because of lower costs, especially in international contractor equipment, which returned to the black. Products include electrical control and distribution equipment, specialty transformers, wiring devices, energy-management systems and wire and cable.

Overall motor sales and earnings were down. Sales and earnings declined substantially in short-cycle component motor lines serving consumer markets. Earnings improved in all other motor lines due to lower costs, despite a decline in volume. Products range from small motors used in home appliances to large ac and dc motors and generators for industrial and utility applications.

GESCO earnings remained about the same, despite lower sales, due to good cost control. GESCO distributes electrical products to customers in the construction, industrial, utility and commercial markets.

*Effective Jan. 1, 1983, all Industrial Products Sector components were reassigned to the Technical Systems, Services and Materials, and Power Systems Sectors. Also effective that date, Mr. Tomasetti became Executive Vice President and Sector Executive — Power Systems Sector, replacing Mr. Hill, who retired after 41 years of service with GE.*



## Natural Resources



**Alexander M. Wilson**  
Chairman of the Board  
and Chief Executive Officer  
Utah International Inc.

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues      | \$1,575 | \$1,722 | \$1,374 | \$1,260 | \$1,032 |
| Net earnings  | 318     | 284     | 224     | 208     | 180     |

(See page 45 for additional mineral resource statistics)

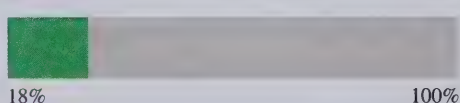
### 1982 Revenues

as percentage of GE total



### 1982 Earnings

as percentage of GE total



**A** diverse base of resources and quality of operations enabled Utah International Inc. to remain a solid income producer despite the adverse effects of the world-wide recession on the mining industry in 1982.

Utah, which mines and markets steel-making raw materials (coking coal and iron ore), energy products (steam coal, oil and gas) and non-ferrous raw materials (copper, aragonite and tungsten), continues to develop a strong position for real earnings growth in the vital natural resources segment of the world economy.

Utah sold 80% of the Pathfinder Mines Corporation, its nonconsolidated uranium mining affiliate, because of the depressed long-term earning potential of low-grade uranium deposits. The purchaser has five years to acquire the remaining 20%.

**Net earnings in 1982** were well ahead of the previous year, although revenues were down reflecting slack world markets for coking coal and copper. About 72% of 1982 revenues and 54% of net earnings came from outside the U.S.

Coking coal mined in Queensland, Australia, primarily for Japanese and European steel markets, continues to be Utah's largest source of revenues and earnings. Shipments, particularly in the latter half of 1982, were lower than 1981 due to the slump in world steel production. Earnings were about the same on somewhat higher average prices and favorable currency exchange rates. Strong cost competitiveness enabled Utah to increase long-term tonnage to smaller markets, thereby mitigating the effects of reduced demand from major markets.

Despite operational losses, the Samarco iron ore operations in Brazil earned a profit because of a one-time gain from a contract settlement with a major customer. The Samarco project, in which Utah has 49% of the voting stock and guarantees debt, continues to experience weak markets.

Steam coal operations in the western U.S. had higher earnings, principally because of improved results from the San Juan Mine in New Mexico. Because of the cyclically depressed coal market, eastern U.S. operations almost broke even in 1982, compared to 1981's profitable results.

Oil and gas operations, primarily in the U.S. and Canada, are conducted by Utah's subsidiary, Ladd Petroleum Corporation. Ladd's earnings were well ahead of 1981 on essentially flat revenues. Ladd spent \$102 million in North American exploratory and development operations and increased its emphasis on foreign exploration.

Copper operations in British Columbia, Canada, showed a small loss in 1982 due to sharply lower prices.

At year-end 1982, the total value of Utah's mineral sales backlog was \$8.1 billion, of which \$5.9 billion was scheduled for shipment after 1983. All contracts making up this backlog are payable in U.S. dollars.

*GE announced in late January 1983 the proposed sale of most of Utah International. See Note 1 to the financial statements on page 37 for further information.*



## Services and Materials



**Lawrence A. Bossidy**  
 Executive Vice President  
 and Sector Executive  
 Services and Materials Sector

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues*     | \$2,651 | \$2,593 | \$2,230 | \$1,991 | \$1,561 |
| Net earnings* | 408     | 382     | 321     | 302     | 221     |

\*Includes GE earnings from  
 General Electric Credit Corporation 205 129 115 90 77  
 (See page 40 for condensed GECC financial statements)



Impressive performances by the service businesses offset the negative impact of economic slowdown on General Electric's materials businesses. As a result, earnings were up 7% over 1981. Effective cost control, product-development efforts and continued plant investment have positioned the materials businesses to do well in an economic upturn.

To strengthen the Sector's business mix, two strategic transactions were consummated during 1982. Honeywell's 16% share of General Electric Information Services Company (GEISCO) was purchased and the mining products business was sold.

**1982 was another record year** for the General Electric Credit Corporation (GECC). Earnings increased 59% primarily on the strength of higher portfolio earnings and lower interest rates on its borrowings. Net earning assets grew 7% to \$12.1 billion. GECC is capitalizing on expanding opportunities in financial services. Its many financing programs should facilitate continued earning assets growth and thus sustain the momentum which has characterized the past five years.

While plastics unit volume and earnings declined during 1982, the business enjoyed favorable customer response to the product introduction of Ultem®, the first major new polymer introduced in the industry in nearly a decade, and Xenoy®, a modified polycarbonate. To support future product and application development on a worldwide basis, construction was started on a research facility in Pittsfield, Mass. Other important 1982 investments included expansion of Valox® plastic capacity in the U.S., formation of a joint venture to produce polyphenylene oxide in Japan and purchase of an Australian company which compounds GE thermoplastic resins.

Engineered materials revenues and earnings were hurt by the worldwide economic malaise. However, ambitious development programs in highway construction, automotive and consumer markets, coupled with improved manufacturing processes, reinforced the position of the GE silicone business as an innovative, cost-effective competitor. The specialty materials business completed the Dublin, Ireland, industrial diamond facility and introduced a family of Formset® dresser diamonds and Compax® fine-grain die blanks.

GEISCO continues to grow revenues and earnings as a full supplier of information services, including distributed data processing, packaged software, proprietary data bases and professional services. Expanding services were augmented by the acquisition of Network Consultants, Inc., which provides wire transfer software to banks.

General Electric Venture Capital Corporation (GEVENCO) invested in seven new companies in 1982, with emphasis in high-technology areas like telecommunications and computers. GEVENCO also purchased 17.5% of the equity in Gearhart Industries. GE research and development strength can be used to support Gearhart's product development in the oil-field services business.



# Technical Systems



**James A. Baker**  
Executive Vice President  
and Sector Executive  
Technical Systems Sector

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues      | \$4,266 | \$3,979 | \$3,252 | \$2,761 | \$2,443 |
| Net earnings  | 83      | 98      | 105     | 113     | 100     |



**T**echnical Systems revenues increased 7% in 1982, while earnings declined 15% as the result of extensive new product research and development expenditures and a depressed industrial capital goods economy.

Investments in products and systems, based largely on new electronic technologies, have positioned the high-growth, high-technology businesses in the Sector for good profit potential.

**Aerospace has invested heavily** in key niche technologies such as solid-state and over-the-horizon radar, flight controls, sonar, training simulators and military-communication and earth-resource satellites. Higher defense spending and the transition of advanced research and prototype work into production produced a very strong increase in 1982 earnings on a good sales increase.

Medical systems earnings increased substantially on a good sales increase, despite higher program expenditures. These results reflected GE's worldwide leadership in computerized axial tomography (CT) scanners. The investment emphasis now is on positioning the business in nuclear magnetic resonance. New product introductions in vascular x-ray equipment, nuclear medicine and ultrasound are positioning the business for leadership roles in each of these diagnostic-imaging market segments.

Mobile communications domestic and offshore markets were depressed in 1982, resulting in lower revenues and an operating loss. Innovations in new product programs were continued. GE and Northern Telecom, Inc. announced joint entry into the cellular radio market in October. GE will furnish the mobile and stationary radio equipment and Northern Telecom the switching equipment. A test installation is planned to be started in Jacksonville, Fla., in 1983.

Industrial electronics revenues were about flat and operations resulted in a loss due principally to large expenditures for one of the most significant campaigns in recent Company history: the reinvigoration of the American factory system through electronic technology. The positioning of the business for worldwide leadership in this area is continuing. Some of the more significant developments for this coming megamarket include the Mark Century® 2000 numerical control for machine tools, introduced at the International Machine Tool Show in September; Series 6 programmable controls; lower-cost GE Calma® work stations; more powerful 32-bit Calma CAD/CAM systems; robotics, where GE is a licensee of superior technology and is developing sophisticated sensors and controls; intelligent-vision systems for inspection; and GENet®, a local area network allowing these products to work as a system.

The Sector's positioning strategy in advanced microelectronics is twofold. In the merchant market, GE/Intersil has leadership offerings in niche areas, including data acquisition and power electronics. For internal use of electronic technology, the new Microelectronics Center recently began operations at Research Triangle Park, N.C. Its mission is the dissemination of microelectronics applications throughout GE by training product engineers in the latest integrated circuit (IC) technology. Support by Calma CAD systems and Intersil's production will assure rapid design and fabrication turnaround, especially in the new gate array semicustom IC process. These application-specific ICs are already being applied in consumer, industrial and aerospace products.



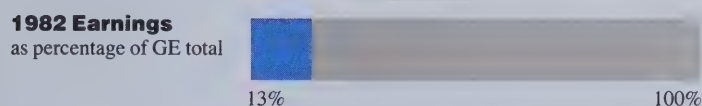
# Consumer Products

Major appliances  
Lighting products  
Housewares and audio products  
Room air conditioners  
Television receivers  
Broadcasting and cablevision



**Paul W. Van Orden**  
Executive Vice President  
and Sector Executive  
Consumer Products Sector

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues      | \$5,996 | \$6,643 | \$6,342 | \$5,990 | \$5,467 |
| Net earnings  | 239     | 292     | 312     | 338     | 331     |



**T**he success of General Electric's diverse consumer businesses is based on a strong and enduring relationship with the consumer and a strategic focus on businesses where the Company's technological or marketing strength provides growth opportunities.

Thus, in 1982, the Consumer Products Sector invested heavily in consumer-related programs and productivity improvements while continuing to adjust its business mix. The central air conditioning business was sold and the gain was included in Sector results for 1982. This gain was more than offset by provisions for future facilities rationalization and organizational restructuring costs. In addition, the planned disposition of most broadcast properties was announced.

Despite current economic pressures, the Sector invested more than \$300 million in R&D in such areas as high-efficiency lamps and mass-market car telephones and in marketing communications in 1982 to keep building its

bond with consumers. Highlights of the marketing effort were the introduction of several innovative consumer information services:

The GE Answer Center® establishes a direct line with consumers.

The GE Home Library provides advice on how to match GE products to different lifestyles.

The GE Quick Fix® do-it-yourself repair system is a unique extension of the appliance service network.

And new, more informative advertising explains *how* "we bring good things to life."

An additional \$232 million was invested to automate production facilities, improve product quality and increase cost efficiencies.

The Sector already generates more than two-thirds of its sales from products that are Number One in market share. These new investments should assure an enduring consumer franchise for GE.

**Consumer products earnings and revenues** were down due to a depressed world economy.

Major appliance earnings were up slightly on lower sales, reflecting vigorous productivity improvements and a market-responsive organization. A \$38 million investment to automate the Louisville dishwasher plant will give GE world leadership in technology and cost, while the new Dual Wave® microwave oven demonstrates the continuing commitment to meet consumer needs.

Lighting sales and earnings were down, mainly due to depressed commercial and industrial markets. GE improved share and maintained earnings in the consumer business through a concentrated marketing effort that created strong consumer preference for the soft-white incandescent line and successfully introduced the energy-efficient Miser® lamp line.

Housewares and audio sales were down, but earnings increased significantly as benefits of world product programs began to be realized. Two new housewares plants in Mexico and Brazil are the latest examples of GE's continuing worldwide integration of production facilities.

Broadcast and cablevision revenues and earnings showed continued growth.

Television sales were flat and, despite higher unit volume, operations resulted in a loss due to highly competitive conditions and depressed pricing. The Comband® bandwidth compression system, developed by GE, could have a major impact on the cable TV industry because it can double the number of channels transmitted over existing systems.



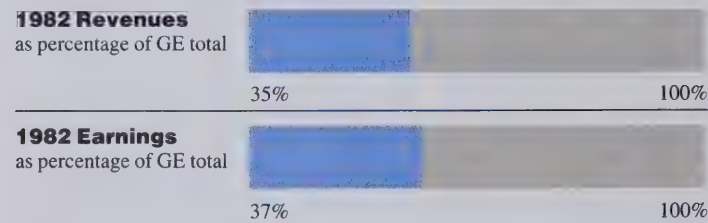
## Total International Operations (all segments)



**John A. Urquhart**  
 Executive Vice President  
 and Sector Executive  
 International Sector

| Total international operations —<br>all segments (a) (In millions) | 1982    | 1981     | 1980    | 1979    | 1978    |
|--|---------|----------|---------|---------|---------|
| Foreign operations and licensing                                   | \$6,100 | \$ 6,509 | \$5,816 | \$5,068 | \$4,443 |
| U.S. exports to external customers                                 | 3,312   | 3,681    | 3,781   | 2,772   | 2,571   |
| Total revenues outside the U.S.                                    | \$9,412 | \$10,190 | \$9,597 | \$7,840 | \$7,014 |
| Net earnings   | \$ 680  | \$ 574   | \$ 639  | \$ 526  | \$ 486  |

(a-See page 44 for geographic segment information)



**G**eneral Electric's total international business from all Sectors, which is summarized above, realized an earnings increase of 18% although revenues were 8% lower than 1981 due to the generally depressed world economy. Improved earnings were principally due to the lack of a counterpart to prior year losses in Spain and a contract settlement at Utah's Samarco project.

As the nation's largest diversified exporter of manufactured goods, GE had exports in 1982 to external customers of \$3.3 billion and to affiliated companies of \$600 million, making total exports from the U.S. almost \$4 billion. According to U.S. government estimates, each \$1 billion of export sales supports more than 32,000 U.S. jobs of the exporter and supporting vendors.

Aircraft engines, power generation equipment and locomotives were the Company's leading U.S. export products for the year. GE made a positive contribution of \$2.8 billion to the U.S. balance of trade in 1982. Unfilled GE export orders were \$4.6 billion at year-end 1982.

To maintain momentum and accelerate sales in a slow-growth economy, a number of key positioning steps have been taken to capitalize on the Company's strong international trading and systems expertise and to increase its penetration of global markets. These include the formation of the General Electric Trading Company and the development of integrated business-development and country-management programs.

**A key objective** of the International Sector is to strengthen and expand the strategic relationships between the Company's U.S. businesses and foreign operations to open new cost-effective options for distribution, rationalization and volume leverage.

Another Sector responsibility is market development, especially in such high-growth areas as Southeast Asia. An equipment service and repair facility in Indonesia, manufacturing operations in Malaysia and joint ventures in the Philippines and Korea are providing a good base for future expansion.

The International Sector's largest affiliate is the Canadian General Electric Company Ltd. CGE sales and earnings were down from 1981 largely as a result of weak economic conditions. A notable achievement by CGE was the design and production of Canada's first tidal-power generator which is being installed in Nova Scotia.

Other foreign multi-industry affiliates in such countries as Brazil and Mexico were affected by the economic slowdown. Despite these short-term difficulties, the Company remains confident of their underlying strengths and future growth potential.

With globally competitive products and services and production facilities in more than 30 countries, GE affiliates and their domestic counterparts are well-positioned to help assure the Company's continued international success.



## Aircraft Engine

| (In millions) | 1982    | 1981    | 1980    | 1979    | 1978    |
|---------------|---------|---------|---------|---------|---------|
| Revenues      | \$3,140 | \$2,950 | \$2,660 | \$2,190 | \$1,591 |
| Net earnings  | 161     | 149     | 141     | 97      | 82      |

### 1982 Revenues

as percentage of GE total



### 1982 Earnings

as percentage of GE total



**T**he Aircraft Engine Group produces the broadest line of jet engines available for use on commercial, military and business aircraft, for naval ship propulsion, and as sources for industrial power.

To capitalize on ever-fluctuating opportunities in these market segments, GE relies on its strengths in technology, quality and innovation. Thus, while the commercial market is currently soft, the Company has been successful in the military market during a period of defense buildup and in its marine and industrial business.

Positioning for future opportunities and demands, the Group also reorganized its businesses in 1982 into the separate but highly interdependent Commercial and Military Transport Engine Operations in Evendale, Ohio, and the Military and Small Commercial Engine Operations in Lynn, Mass.

**Increased engine shipments** in 1982 for new military aircraft and the rapid buildup in commercial re-engining programs offset the decline in maturing military applications and continuing erosion of commercial airline markets for new aircraft. Cost-reduction activities continued at a high level to maintain operating margins at historical levels while absorbing start-up costs of new engines.

In the military fighter arena, the service-proven F404 engine is in production for F-18 Hornet aircraft going to the U.S. Navy and Marines, and has been selected by the defense forces of Canada, Australia and Spain. The F404 has also been chosen to power the Northrop F-20 Tiger-shark for the important export market as well as a new fighter to be produced in Sweden. The F110 derivative fighter engine has been successfully flight-tested on F-14 and F-16 fighters in a U.S. government-funded program evaluating alternative sources of power for these aircraft. In helicopters, the T700 has become the clear-cut choice of the military as the powerplant to meet its future requirements. Also, recent government decisions to proceed with the B-1B bomber and to restart the C-5 transport program, with GE engines, add to the current healthy GE position in the military market.

While the commercial market is depressed as a result of current worldwide economic conditions, GE is continuing to do the necessary research and development to be ready for growth in this fiercely competitive market as the airlines of the world recover. The CF6 family of engines continues to provide outstanding efficiency and reliability for two-, three- and four-engine widebody transports. In 1982, the CF6-80 engine entered service with American Airlines and Delta Air Lines on the Boeing 767, and is scheduled to begin service with Lufthansa on the Airbus Industrie A310 in early 1983. In all, the CF6 has now been selected by more than 70 airlines throughout the world. Meanwhile, the CFM56—produced jointly with France's SNECMA—continued to be a bright spot in this market as it went into service on re-engined McDonnell Douglas DC-8 commercial aircraft and started flight tests for re-engined Boeing KC-135 and French C-135F military tanker/cargo aircraft. A new model of the CFM56 engine is also being readied for flight tests on a new version of the Boeing 737, which already has been ordered by several airlines and has good potential for future sales. Other derivatives of the CFM56 show promise for next-generation commercial airliners now being studied by aircraft manufacturers and the airlines.

For smaller commercial applications, activity is highlighted by the new CT7 and CF34 engines for use in the next generation of regional/commuter, helicopter and business jet aircraft.



# Financial review

**T**his review supplements the detailed financial information in the audited financial statements which begin on page 33. The summary of worldwide results by industry on pages 20 through 27 presents additional information about operating results, and the five-year summary on page 46 provides a perspective on selected financial data.

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## Consolidated operating results

*Net earnings* for 1982 of \$1,817 million were up 10% from 1981, although sales of \$26.50 billion were down 3%. The increase in earnings, which included the effects of continued expenditures for future business development and lower sales, was achieved because of:

- GE's leadership position in a number of diverse businesses;
- The success of actions to improve operating efficiency and reduce overhead and inventories; and
- Some reduction in the cost of borrowed funds and in the effective tax rate.

*Sales* in terms of overall physical volume were down 7% in 1982. This considerably lower volume was principally due to the impact of the recession in markets for short-cycle consumer, industrial and materials products. In contrast to this 1982 experience, 1981 sales dollars had been up 9% from 1980, with higher volume accounting for about one-fourth of the increase and the remainder coming from price increases.

*Operating margin* in 1982 was \$2,405 million, down 2% (\$42 million) compared with the 3% decline in sales. Accordingly, as a percentage of sales, operating margin improved slightly to 9.1%, compared with 9.0% in each of the previous two years. Factors affecting operating margin included lower physical volume and softness in selling prices which were largely offset by the effects of cost reductions and a favorable last-in first-out (LIFO) inventory adjustment as a result of management action to reduce inventories and of lower prices for some commodities. For the year, the LIFO inventory credit to operations was \$199 million. Included in that credit were the effect of business dispositions and the impact of a 12% decrease in inventory levels which resulted in restorations to operations of \$36 million and \$231 million, respectively. These credits were partially offset by higher resource prices which resulted in LIFO charges amounting to \$68 million.

*Other income* is derived from a variety of operating and non-operating sources and amounted to \$692 million in 1982, compared with \$614 million in 1981 and \$564 million in 1980. The 1982 increase was attributable primarily to the exceptionally strong performance by the Company's nonconsolidated finance affiliate, General Electric Credit Corporation.

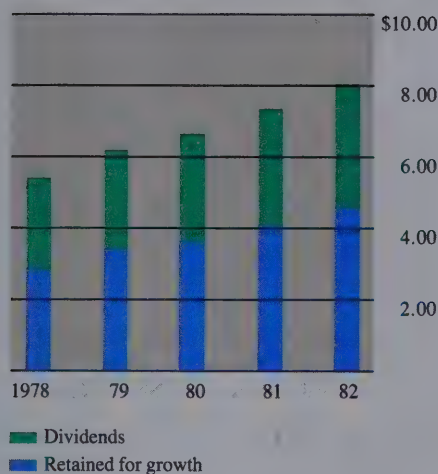
*Interest expense* and other financial charges of \$344 million in 1982 were 14% less than in 1981, primarily because of generally lower short-term interest rates worldwide. This reduction followed a 28% rise in interest expense in 1981 from 1980, which reflected extremely high interest rates as well as some increase in domestic and foreign borrowings.

*Provision for income taxes* was \$900 million in 1982, compared with \$962 million in 1981 and \$958 million in 1980. See "tax position" later in this Financial Review as well as Note 6 to the financial statements for additional comments and details.

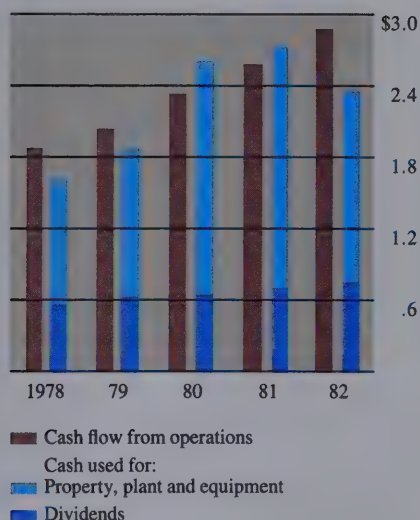
*Earnings per share* for the last five years are portrayed in the chart at upper right. Dividends declared for 1982 were \$3.35 per share, the seventh consecutive year in which the rate was increased. It is General Electric policy to maintain a reasonable dividend while at the same time enhancing productive capacity and allocating resources to fast earnings growth opportunities.



## Earnings per share (dollars)



## Comparison of cash flow from operations with cash used for dividends and property, plant and equipment (\$ billions)



## Financial condition

In summary, despite U.S. and international economic recessions, General Electric's strong financial condition continued to improve throughout 1982.

*Cash and marketable securities* at the end of 1982 totaled almost \$2.6 billion, an increase of \$116 million from a year earlier. Short-term borrowings were reduced by \$134 million during the year. The net of these changes was an increase of \$250 million in net liquid assets in 1982.

*General Electric's most important source of funds* in 1982 continued to be positive inflows from operations which aggregated \$2.9 billion, up \$302 million from 1981, consisting principally of net earnings adjusted for the non-cash impact of depreciation, depletion and amortization.

*Principal 1982 uses of funds* were for new property, plant and equipment and higher dividends. In addition, long-term investments in GE Credit Corporation and other securities were increased in 1982.

The chart below shows GE's cash flow from operations for the last five years, compared with the major uses of funds, i.e., new plant and equipment and dividends.

*Total working capital* (current assets less current liabilities) was \$2,203 million at the end of 1982, up \$133 million from the end of 1981. The principal working capital assets other than cash and marketable securities are customer receivables and inventories. With respect to receivables, the unsettled economy necessitated even stronger collection and credit-control measures than usual. The success of these efforts resulted in improved average turnover — that is, reduced cash lockup — throughout 1982. Similarly, slackened demand, particularly in the short-cycle businesses, required timely and vigorous control of and reduction in inventories. Here, too, efforts were successful, and net inventories were reduced \$432 million, or 12%, from the end of 1981.

*Asset management* over the last five years is summarized in the table below.

| Sources and uses of funds<br>(In millions) | Five years ended<br>December 31, 1982 |
|--|---------------------------------------|
| <b>Principal sources of funds:</b>         |                                       |
| Internal — from operations                 | \$11,834                              |
| External — common stock                    | (27)                                  |
| — long-term debt (net)                     | (269)                                 |
|  | <u>\$11,538</u>                       |
| <b>Principal uses of funds:</b>            |                                       |
| Property, plant and equipment              | \$ 7,898                              |
| Dividends                                  | 3,339                                 |
| Other (net, principally investments)       | 546                                   |
| Working capital (except net liquid assets) | (289)                                 |
|  | <u>\$11,494</u>                       |
| Change in net liquid assets                | <u>\$ 44</u>                          |

From this table it can be seen that over the past five years General Electric has:

- Met overall cash needs from its own operations;
- Had no significant changes in common stock;
- Reduced long-term debt;
- Used about 97% of total funds generated for property, plant and equipment and dividends;



- Reduced working capital excluding net liquid assets, representing continuing improved turnovers of receivables and inventories; and
- Increased net liquid assets some \$44 million since 1977, bringing the total at December 31, 1982, to more than \$1.5 billion.

The effect has been to contribute to improved earnings while at the same time reinforcing the soundness of the Company's capital structure. At the end of 1982, total debt accounted for only 16.5% of the capital invested in General Electric; long-term debt represented only 8.2%. The ratio of total debt to capital has been reduced steadily from 25.3% five years ago. Share owners' equity ("book value") per share at the end of 1982 was \$44.76, compared with \$26.05 at the end of 1977.

General Electric's liquidity position is flexible enough to provide for seasonal working capital needs during 1983 under any reasonable economic scenario, and present capital resources are adequate to continue funding programs for future growth in the near term. Factors contributing to strong liquidity and capital resources position are:

- The Company's low debt-to-capital ratio;
- A large but reasonable level of net liquid assets;
- Bank credit lines of \$1 billion; and
- The highest ratings for GE debt by the major credit-rating agencies.

In addition to the above, consummation of the proposed sale involving most of Utah International's business as discussed in Note 1 to the financial statements would further enhance the Company's resources, liquidity and financial flexibility by a substantial amount.

### Tax position

For 1982 operations, the Company (including both consolidated and nonconsolidated affiliates) provided an aggregate amount of \$1.8 billion for taxes payable currently or in the future. Further detail is shown in the following table.

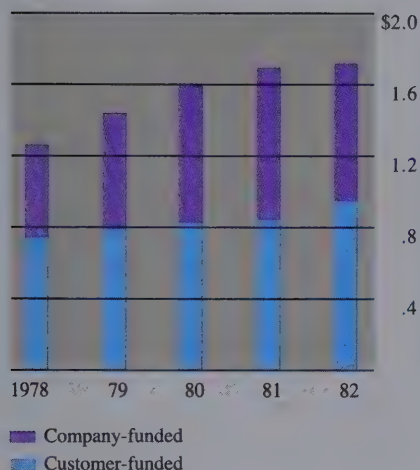
| GE and GECC taxes<br>(In millions)                           | For the year ended<br>December 31, 1982 |
|--|---|
| Provision for U.S. federal income taxes:                     |   |
| Estimated amount payable (consolidated companies)            | \$ 422                                  |
| Estimated amount recoverable (GECC)                          | (598)                                   |
| Net U.S. federal income taxes payable/(recoverable)          | (176)                                   |
| Effect of timing differences and investment credit deferred  | 739                                     |
| Provision for foreign, state, local and other income taxes   | 357                                     |
| Social Security taxes  | 577                                     |
| State and local franchise, property, and sales and use taxes | 315                                     |
|  | <u>\$1,812</u>                          |

General Electric Credit Corporation (GECC), a nonconsolidated finance affiliate for financial reporting purposes, is included in General Electric's U.S. federal income tax return. GECC's leasing operations, which started in 1967, have continued to grow by providing to a broad range of companies an attractive alternative to direct purchase of plant and equipment. During 1982, GECC entered into regular leasing transactions involving equipment with an aggregate cost of \$1.4 billion. This brought GECC's total investment in leased equipment to \$9.3 billion on an original cost basis. In addition, GECC completed transactions totaling \$1.5 billion in 1981 involving the transfer of certain tax benefits as a result of tax legislation enacted by Congress under which GECC was able to make capital available to companies, many of which otherwise would have found it difficult or extremely costly to raise needed funds. No significant tax benefit transfer leases were originated by GECC in 1982. As a result of the tax credits and deductions associated with all of these activities, GECC recorded a provision for U.S. federal income taxes recoverable which more than offset the \$422 million estimated U.S. federal income taxes payable by the consolidated companies. The net GE-GECC provision for U.S. federal income taxes recoverable of \$176 million includes \$17 million of taxes payable for 1982 and \$163 million of tax credits earned in 1982 and recoverable as carrybacks against prior years' taxes paid.

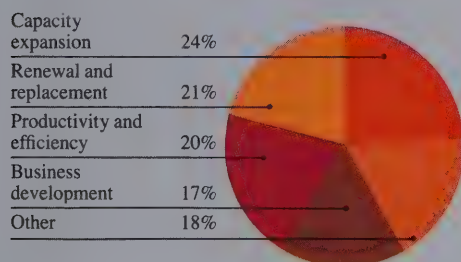
It should be recognized that the leasing activities which generated the 1982 taxes



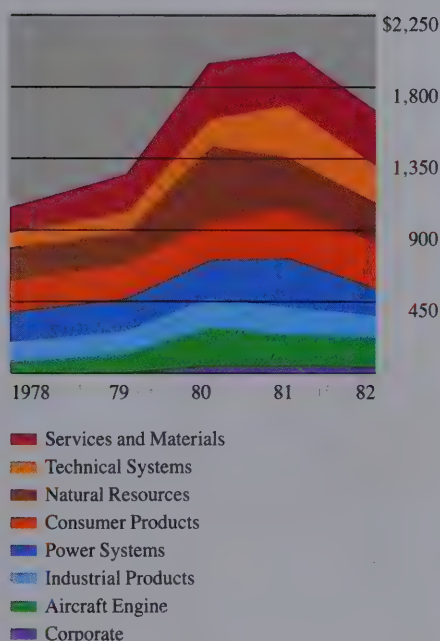
## Research and development expense (\$ billions)



## Objectives of plant expenditures 1978-1982



## Capital expenditures (\$ millions)



recoverable will, in subsequent years, result in taxable income and related tax payment obligations. GECC's provision of \$497 million for these obligations is included in the \$739 million for the effect of timing differences and investment credit deferred shown in the table on page 30. Also, it should be noted that the benefits of tax deferrals and investment credits associated with leasing are shared with customers through the pricing of transactions. This sharing is central to the role leasing plays as an important source of the capital needed to finance additions and improvements to the nation's production base.

## For the future

Throughout GE, major stress is being given to productivity and cost improvements aimed at increasing operating margins. At the same time, allocation of substantial resources is being made to "programs," which are defined to include specific, identifiable projects that have their origin in discretionary managerial decisions and are undertaken primarily to improve performance in future periods. Program expenditures consist both of costs that are charged to expense currently, such as research and development; and costs that are capitalized and reflected in expense in future periods, principally for plant and equipment.

During the last five years, 60% of expenses for programs have been targeted for new business development. This includes the Company-funded portion of research and development expenditures as well as a number of other activities. In addition, the Company conducts research and development programs on projects sponsored by customers, primarily the U.S. government. GE's rising total R&D expenditures for the last five years are depicted in the chart.

Another important aspect of providing for future growth is investment in property, plant and equipment. Funds invested in property, plant and equipment totaled \$1.6 billion in 1982, bringing the total for the last five years to \$7.9 billion. The pie chart summarizes cumulative five-year property, plant and equipment expenditures by major program objectives.

On a business-by-business basis, real growth opportunities are identified, opportunities for providing technological improvements in productive processes are selected and needs for maintaining the adequacy of existing productive capacity are evaluated. Resources are then allocated on a priority basis. Capitalized expenditures for plant and equipment by major industry segment for each of the past five years are shown in the chart. The property, plant and equipment expenditure portion of business acquisitions was about \$130 million less in 1982 than in 1981. Estimated future expenditures to complete projects already approved aggregated about \$800 million at year-end 1982.

The backlog of orders on hand at December 31, 1982, for all types of products and services was \$27.8 billion. Long-production-cycle contracts typically provide for some type of escalation to reflect inflationary cost increases and, in certain instances, involve collections from customers as work is in progress. Most long-cycle orders are subject to deferral or cancellation by customers, though subject in certain cases to cancellation penalties.

## Inflation

The rate of inflation in the United States moderated in 1982, although its potential impact on all — individuals and corporations — continues to be a concern for both public policy and corporate planning. Approximations developed using experimental techniques sanctioned by the Financial Accounting Standards Board to adjust GE financial results for effects of changing prices in 1982 can be found on page 45. Trends in these adjusted data over time are at least as important in understanding the effects of inflationary impacts as are data for a single year, and such trend data are included in the five-year summary in this Report.



## Report of management

### To Share Owners of General Electric Company

The financial statements of General Electric Company and consolidated affiliates are presented on pages 33 through 44 of this Annual Report. These statements have been prepared by management and are in conformity with generally accepted accounting principles appropriate in the circumstances. The statements include amounts that are based on our best estimates and judgments. Financial information elsewhere in this Annual Report is consistent with that in the financial statements.

General Electric maintains a strong system of internal financial controls and procedures, supported by a staff of corporate auditors and supplemented by resident auditors located around the world. This system is designed to provide reasonable assurance, at appropriate cost, that assets are safeguarded and that transactions are executed in accordance with management's authorization, and are recorded and reported properly. The system is time-tested, innovative and responsive to change. Perhaps the most important safeguard in this system is the fact that the Company has long emphasized the selection, training and development of professional financial managers to implement and oversee the proper application of its internal controls and the reporting of management's stewardship of corporate assets and maintenance of accounts in conformity with generally accepted accounting principles.

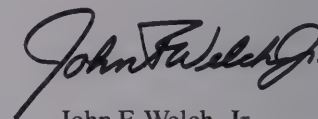
The independent public accountants provide an objective, independent review as to management's discharge of its responsibilities insofar as they relate to the fairness of reported operating results and financial condition. They obtain and maintain an understanding of GE accounting and financial policies and controls, and conduct such tests and related procedures as they consider necessary to arrive at an opinion on the fairness of financial statements.

The Audit Committee of the Board of Directors, which is composed solely of Directors from outside the Company, maintains an ongoing appraisal of the effectiveness of audits and the independence of the public accountants. The Committee meets periodically with the public accountants, management and internal auditors to review the work of each. The public accountants have free access to the Committee, without management present, to discuss the results of their audit work and their opinions on the adequacy of internal financial controls and the quality of financial reporting. The Committee also reviews the Company's accounting policies, internal accounting controls, and the Annual Report and proxy material.

Management has long recognized its responsibility for conducting the Company's affairs in an ethical and socially responsible manner. The commitment to this responsibility is reflected in key written policy statements covering, among other subjects, potentially conflicting outside business interests of employees, compliance with antitrust laws, and proper conduct of domestic and international business practices. Ongoing educational, communication and review programs are designed to create a strong compliance environment and to make it clearly understood that deviation from Company policies will not be tolerated.



Thomas O. Thorsen  
Senior Vice President  
Finance



John F. Welch, Jr.  
Chairman of the Board  
and Chief Executive Officer

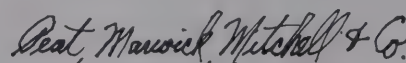
February 18, 1983

## Report of independent certified public accountants

### To Share Owners and Board of Directors of General Electric Company

We have examined the statement of financial position of General Electric Company and consolidated affiliates as of December 31, 1982 and 1981, and the related statements of earnings, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of General Electric Company and consolidated affiliates at December 31, 1982 and 1981, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.



Peat, Marwick, Mitchell & Co.  
345 Park Avenue, New York, N. Y. 10154

February 18, 1983



## Statement of earnings

General Electric Company and consolidated affiliates

| For the years ended December 31 (In millions) (note 1) |  | 1982            | 1981            | 1980            |
|--|--|-----------------|-----------------|-----------------|
| <b>Sales</b>   | Sales of products and services to customers              | \$26,500        | \$27,240        | \$24,959        |
| <b>Operating costs</b>                                 | Cost of goods sold                                       | 18,605          | 19,476          | 18,171          |
|  | Selling, general and administrative expense              | 4,506           | 4,435           | 3,838           |
|  | Depreciation, depletion and amortization                 | 984             | 882             | 707             |
|  | Operating costs (notes 2 and 3)                          | <u>24,095</u>   | <u>24,793</u>   | <u>22,716</u>   |
|  | Operating margin   | 2,405           | 2,447           | 2,243           |
|  | Other income (note 4)                                    | 692             | 614             | 564             |
|  | Interest and other financial charges (note 5)            | <u>(344)</u>    | <u>(401)</u>    | <u>(314)</u>    |
| <b>Earnings</b>  | Earnings before income taxes and minority interest       | 2,753           | 2,660           | 2,493           |
|  | Provision for income taxes (note 6)                      | (900)           | (962)           | (958)           |
|  | Minority interest in earnings of consolidated affiliates | <u>(36)</u>     | <u>(46)</u>     | <u>(21)</u>     |
|  | Net earnings applicable to common stock                  | <u>\$ 1,817</u> | <u>\$ 1,652</u> | <u>\$ 1,514</u> |
|  | Earnings per common share (in dollars) (note 7)          | \$8.00          | \$7.26          | \$6.65          |
|  | Dividends declared per common share (in dollars)         | \$3.35          | \$3.15          | \$2.95          |
|  | Operating margin as a percentage of sales                | 9.1%            | 9.0%            | 9.0%            |
|  | Net earnings as a percentage of sales                    | 6.9%            | 6.1%            | 6.1%            |

## Statement of retained earnings

General Electric Company and consolidated affiliates

| For the years ended December 31 (In millions) (note 1) |                                    | 1982           | 1981           | 1980           |
|--|------------------------------------|----------------|----------------|----------------|
| <b>Retained earnings</b>                               | Balance January 1                  | \$8,088        | \$7,151        | \$6,307        |
|  | Net earnings                       | 1,817          | 1,652          | 1,514          |
|  | Dividends declared on common stock | (760)          | (715)          | (670)          |
|  | Balance December 31                | <u>\$9,145</u> | <u>\$8,088</u> | <u>\$7,151</u> |

The information on pages 32 and 36-44 is an integral part of these statements.



# Statement of financial position

General Electric Company and consolidated affiliates

| At December 31 (In millions) (note 1)   |  | 1982            | 1981            |
|---|--|-----------------|-----------------|
| <b>Assets</b>   | Cash (note 8)                                      | \$ 2,194        | \$ 2,219        |
|   | Marketable securities (note 8)                     | 393             | 252             |
|   | Current receivables (note 9)                       | 4,740           | 4,872           |
|   | Inventories (note 10)                              | 3,029           | 3,461           |
|   | Current assets                                     | <u>10,356</u>   | <u>10,804</u>   |
|   | Property, plant and equipment — net (note 11)      | 7,308           | 6,844           |
|   | Investments (note 12)                              | 2,287           | 1,907           |
|   | Other assets (note 13)                             | <u>1,664</u>    | <u>1,387</u>    |
|   | Total assets                                       | <u>\$21,615</u> | <u>\$20,942</u> |
| <b>Liabilities and equity</b>   | Short-term borrowings (note 14)                    | \$ 1,037        | \$ 1,171        |
|   | Accounts payable (note 15)                         | 1,744           | 2,012           |
|   | Progress collections and price adjustments accrued | 2,443           | 2,519           |
|   | Dividends payable                                  | 193             | 182             |
|   | Taxes accrued                                      | 585             | 753             |
|   | Other costs and expenses accrued (note 16)         | <u>2,151</u>    | <u>2,097</u>    |
|   | Current liabilities                                | <u>8,153</u>    | <u>8,734</u>    |
|   | Long-term borrowings (note 17)                     | 1,015           | 1,059           |
|   | Other liabilities                                  | <u>2,084</u>    | <u>1,855</u>    |
|   | Total liabilities                                  | <u>11,252</u>   | <u>11,648</u>   |
| Minority interest in equity of consolidated affiliates  |  | <u>165</u>      | <u>166</u>      |
| Preferred stock (\$1 par value; 2,000,000 shares authorized; none issued)                               |  | —               | —               |
| Common stock (\$2.50 par value; 251,500,000 shares authorized; 231,464,000 shares issued 1982 and 1981) |  | 579             | 579             |
| Amounts received for stock in excess of par value   |  | 676             | 657             |
| Retained earnings   |  | <u>9,145</u>    | <u>8,088</u>    |
|   |  | <u>10,400</u>   | <u>9,324</u>    |
| Deduct common stock held in treasury  |  | <u>(202)</u>    | <u>(196)</u>    |
| Total share owners' equity (notes 18 and 19)  |  | <u>10,198</u>   | <u>9,128</u>    |
| Total liabilities and equity  |  | <u>\$21,615</u> | <u>\$20,942</u> |
| Commitments and contingent liabilities (note 20)  |  |                 |                 |

The information on pages 32 and 36-44 is an integral part of this statement.



# Statement of changes in financial position

General Electric Company and consolidated affiliates

For the years ended December 31 (In millions) (note 1)

|   | 1982          | 1981          | 1980            |
|---|---------------|---------------|-----------------|
| <b>Source of funds</b>  |               |               |                 |
| From operations   |               |               |                 |
| Net earnings  | \$1,817       | \$1,652       | \$1,514         |
| Depreciation, depletion and amortization                            | 984           | 882           | 707             |
| Income tax timing differences                                       | 95            | 33            | 63              |
| Investment tax credit deferred — net                                | 44            | 46            | 56              |
| Minority interest in earnings of consolidated affiliates            | 36            | 46            | 21              |
| Earnings retained by nonconsolidated finance affiliates             | (42)          | (27)          | (22)            |
|   | <u>2,934</u>  | <u>2,632</u>  | <u>2,339</u>    |
| Reduction in inventories  | 432           | —             | —               |
| Disposition of treasury shares                                      | 216           | 169           | 136             |
| Reduction in current receivables                                    | 132           | —             | —               |
| Increase in long-term borrowings                                    | 113           | 160           | 122             |
| Increase in current liabilities other than short-term borrowings    | —             | 1,064         | 498             |
| Other — net   | (3)           | (78)          | 143             |
| Total source of funds   | <u>3,824</u>  | <u>3,947</u>  | <u>3,238</u>    |
| <b>Application of funds</b>   |               |               |                 |
| Additions to property, plant and equipment                          | 1,608         | 2,025         | 1,948           |
| Dividends declared on common stock                                  | 760           | 715           | 670             |
| Reduction in current liabilities other than short-term borrowings   | 447           | —             | —               |
| Increase in investments   | 380           | 87            | 129             |
| Purchase of treasury shares   | 222           | 176           | 145             |
| Reduction in long-term borrowings                                   | 157           | 101           | 69              |
| Increase in current receivables                                     | —             | 533           | 692             |
| Increase in inventories   | —             | 118           | 182             |
| Total application of funds  | <u>3,574</u>  | <u>3,755</u>  | <u>3,835</u>    |
| <b>Net change</b>   |               |               |                 |
| Net change in cash, marketable securities and short-term borrowings | <u>\$ 250</u> | <u>\$ 192</u> | <u>\$ (597)</u> |
| <b>Analysis of net change</b>                                       |               |               |                 |
| Increase (decrease) in cash and marketable securities               | \$ 116        | \$ 270        | \$ (375)        |
| Decrease (increase) in short-term borrowings                        | 134           | (78)          | (222)           |
| Increase (decrease) in net liquid assets                            | <u>\$ 250</u> | <u>\$ 192</u> | <u>\$ (597)</u> |

The information on pages 32 and 36-44 is an integral part of this statement.



## Summary of significant accounting policies

### Basis of consolidation

The financial statements consolidate the accounts of the parent General Electric Company and those of all majority-owned and controlled companies (“affiliated companies”), except finance companies whose operations are not similar to those of the consolidated group. All significant transactions among the parent and affiliated companies are eliminated from the consolidated statements.

The nonconsolidated finance companies are included in the statement of financial position under investments and are valued at equity plus advances. In addition, companies in which GE and/or its consolidated affiliates own 20% to 50% of the voting stock (“associated companies”) are included under investments, valued at the appropriate share of equity plus advances. After-tax earnings of nonconsolidated finance companies and associated companies are included in the statement of earnings under other income.

### Sales

A sale is recorded only when title to products passes to the customer or when services are performed in accordance with contract terms.

### Foreign currency translation

Foreign currencies are translated in accordance with Statement of Financial Accounting Standards No. 8. Foreign currency translation gains and losses have not materially affected General Electric’s net earnings. The Financial Accounting Standards Board has issued a revised standard for foreign currency translation (SFAS No. 52) which, when implemented in 1983 by GE, is not expected to have a material effect on the Company’s financial statements.

### Pensions

Assets and liabilities of the General Electric Pension Trust, which funds the obligations of the General Electric Pension Plan, are not consolidated with those of the Company. Investments of the Trust are carried at amortized cost plus programmed appreciation in the common stock portfolio. Beginning in 1981, the funding program and Company cost determination for the Pension Plan use 7½% as the estimated rate of future Trust income. Trust income includes recognition of appreciation in the common stock portfolio on a systematic basis which does not give undue weight to short-term market fluctuations. Programmed appreciation will not be recognized if average carrying value exceeds average market value, calculated on a moving basis over a multiyear period. Changes in prior service liabilities of the Plan are amortized over 20 years. Actuarial gains and losses are amortized over 15 years.

Costs of the General Electric Supplementary Pension Plan, a separate plan primarily affecting long-service professional and managerial employees, are not funded. Current service costs and amortization of prior service liabilities over a period of 20 years are being charged to operating expenses currently.

### Investment tax credit

The investment tax credit is deferred and amortized as a reduction of the provision for taxes over the lives of the facilities to which the credit applies.

### Inventories

Substantially all manufacturing inventories located in the U.S., as well as a number of those outside the U.S., are valued on a last-in first-out, or LIFO, basis. The remaining manufacturing inventories are generally valued on a first-in first-out, or FIFO, basis. Valuations are based on the cost of material, direct labor and manufacturing overhead, and do not exceed net realizable values. Certain indirect manufacturing expenses are charged directly to operating costs during the period incurred, rather than being capitalized as inventory.

Mining inventories, which include principally mined ore, coal and metal concentrates, are stated at the lower of average cost or market. Mining inventories include both direct and indirect costs consisting of labor, purchased supplies and services, and depreciation, depletion and amortization of property, plant and equipment.

### Property, plant and equipment

Manufacturing plant and equipment includes the original cost of land, buildings and equipment less depreciation. An accelerated depreciation method, based principally on a sum-of-the-years digits formula, is used to record depreciation of manufacturing plant and equipment in the U.S. Most manufacturing plant and equipment located outside the U.S. is depreciated on a straight-line basis. If manufacturing plant and equipment is subject to abnormal economic conditions or obsolescence, additional depreciation is provided. Expenditures for maintenance and repairs of manufacturing plant and equipment are charged to operating costs as incurred.

The cost of mining properties includes initial expenditures and cost of major rebuilding projects which substantially increase the useful lives of existing assets. The cost of mining properties is depreciated, depleted or amortized over the useful lives of the related assets by use of unit-of-production or straight-line methods.

Mining exploration costs are expensed until it is determined that development of a mineral deposit is likely to be economically feasible. After this determination, all costs related to further development are capitalized. Amortization begins upon commencement of production and is over the productive life of the property.

The full-cost accounting method is used for oil and gas properties.



# Notes to financial statements

## 1. Planned sale of certain mineral resource assets

On January 27, 1983, General Electric Company and The Broken Hill Proprietary Company Limited (BHP) signed a memorandum of intention whereby BHP, an Australian-owned and -based industrial and natural resources company, would acquire Utah International Inc. and Utah-Marcona Corporation from GE for approximately \$2.4 billion in cash. BHP expects to form a consortium to participate in ownership of the Australian coal properties included in the acquisition.

Under the terms of the proposed sale, GE would retain Ladd Petroleum Corp., a wholly owned subsidiary of Utah, as well as Utah's financial interests in the Pathfinder uranium mines in Wyoming, the Trapper steam coal mine in Colorado, and certain land-development properties in the U.S.

Completion of the transaction is subject to a number of conditions, including negotiation of a definitive agreement, approvals by the GE and BHP Boards of Directors, completion of consortium and financing arrangements by BHP, and requisite government approvals. GE and BHP expect to complete the transaction in the latter half of 1983.

Sales, net earnings and total assets for the businesses to be sold are shown below.

| (In millions)   | 1982    | 1981    | 1980    |
|-----------------|---------|---------|---------|
| For the year:   |         |         |         |
| Sales           | \$1,311 | \$1,466 | \$1,190 |
| Net earnings    | 247     | 207     | 208     |
| At December 31: |         |         |         |
| Total assets    | 1,838   | 1,823   | 1,656   |

## 2. Operating costs

The classification of operating costs between cost of goods sold and selling, general and administrative expense was refined in 1982 in view of the increasing volume of services businesses and after extensive review of functional expenses incurred in providing these services. Accordingly, prior year amounts have been reclassified to a consistent basis by increasing cost of goods sold and reducing selling, general and administrative expenses for 1981 and 1980 by \$531 million and \$420 million, respectively.

## Operating cost details

| (In millions)                                      | 1982            | 1981            | 1980            |
|--|-----------------|-----------------|-----------------|
| Employee compensation, including benefits          | \$10,296        | \$10,208        | \$ 9,196        |
| Materials, supplies, services and other costs      | 12,079          | 13,475          | 12,696          |
| Depreciation, depletion and amortization           | 984             | 882             | 707             |
| Taxes, except Social Security and those on income  | 304             | 346             | 299             |
| Decrease (increase) in inventories during the year | 432             | (118)           | (182)           |
| Total operating costs                              | <u>\$24,095</u> | <u>\$24,793</u> | <u>\$22,716</u> |
| Supplemental details:                              |                 |                 |                 |
| Maintenance and repairs                            | \$822           | \$897           | \$784           |
| Company-funded research and development            | 781             | 814             | 760             |
| Social Security taxes                              | 565             | 567             | 484             |
| Advertising  | 353             | 331             | 315             |
| Mineral royalties and export duties                | 92              | 105             | 80              |

## 3. Pensions

Total pension costs of General Electric and consolidated affiliates were \$570 million in 1982, \$549 million in 1981 and \$478 million in 1980.

General Electric and its affiliates have a number of pension plans. The most significant of these plans is the General Electric Pension Plan (the "Plan"), in which substantially all employees in the U.S. are participating. Pension benefits under the Plan are funded through the General Electric Pension Trust (the "Trust"). The other principal pension plan is the General Electric Supplementary Pension Plan. These two plans account for more than 90% of GE pension benefits. Approximately 91,500 persons were receiving benefits at year-end 1982.

For funding and annual cost determination purposes, changes were made in 1981 in mortality assumptions and, recognizing the impact of inflation, in projections of pension benefits and by increasing from 6% to 7½% the estimated rate of future Trust income.

The actuarial present value of accumulated plan benefits for the General Electric Pension Plan and the Supplementary Pension Plan, calculated as prescribed by the Financial Accounting



Standards Board, is shown below. The table also sets forth the total of the current value of Pension Trust assets and relevant accruals in the Company's accounts.

#### General Electric Pension Plan and Supplementary Pension Plan

| December 31 (In millions)                                       | 1982           | 1981           | 1980           |
|---|----------------|----------------|----------------|
| Estimated actuarial present value of accumulated plan benefits: |                |                |                |
| Vested benefits   | \$7,160        | \$6,032        | \$6,027        |
| Non-vested benefits   | 528            | 511            | 415            |
| Total benefits  | <u>\$7,688</u> | <u>\$6,543</u> | <u>\$6,442</u> |
| Current value of trust assets plus accruals                     | <u>\$8,682</u> | <u>\$6,801</u> | <u>\$6,580</u> |

The present values were calculated using a 7½% interest rate assumption as of December 31, 1982 and 1981, and 6% as of the end of 1980. The 1982 increase in estimated actuarial present value of accumulated plan benefits resulted primarily from 1982 Plan amendments.

Condensed current-value information for the Trust appears below. This information is presented at current value, not all of which is recognized in the carrying value used by the Company for funding and cost determination purposes.

#### General Electric Pension Trust

##### Change in net assets at current value

| For the year (In millions)                      | 1982           | 1981           | 1980           |
|---|----------------|----------------|----------------|
| Net assets at January 1                         | \$6,579        | \$6,418        | \$4,968        |
| Company contributions                           | 470            | 443            | 404            |
| Employee contributions                          | 102            | 103            | 86             |
| Investment income                               | 796            | 601            | 435            |
| Pensions paid                                   | (331)          | (300)          | (254)          |
| Unrecognized portion of change in current value | 824            | (686)          | 779            |
| Net assets at December 31                       | <u>\$8,440</u> | <u>\$6,579</u> | <u>\$6,418</u> |

##### Net assets at current value

| December 31 (In millions)                  | 1982           | 1981           | 1980           |
|--|----------------|----------------|----------------|
| U.S. government obligations and guarantees | \$1,580        | \$ 432         | \$ 44          |
| Corporate bonds and notes                  | 1,144          | 813            | 727            |
| Real estate and mortgages                  | 1,053          | 871            | 825            |
| Common stocks and other equity securities  | 4,247          | 3,751          | 4,181          |
|  | 8,024          | 5,867          | 5,777          |
| Cash and short-term investments            | 270            | 644            | 553            |
| Other assets — net                         | 146            | 68             | 88             |
| Current value of net assets                | <u>\$8,440</u> | <u>\$6,579</u> | <u>\$6,418</u> |
| Carrying value of net assets               | <u>\$7,477</u> | <u>\$6,440</u> | <u>\$5,593</u> |

Earnings of the Trust, including programmed recognition of common stock appreciation, as a percentage of the carrying value of the portfolio were 11.6% in 1982, 10.1% in 1981 and 8.4% in 1980.

#### 4. Other income

| (In millions)  | 1982         | 1981         | 1980         |
|--|--------------|--------------|--------------|
| Net earnings of GE Credit Corporation                              | \$205        | \$142        | \$115        |
| Income support payment (net) from GE                               | —            | (13)         | —            |
| GE earnings from GECC  | 205          | 129          | 115          |
| Income from:   |              |              |              |
| Marketable securities and bank deposits                            | 239          | 230          | 229          |
| Royalty and technical agreements                                   | 60           | 59           | 52           |
| Customer financing   | 58           | 80           | 72           |
| Associated companies and non-consolidated uranium mining affiliate | 22           | 37           | 22           |
| Other investments: Interest  | 29           | 18           | 21           |
| Dividends  | 10           | 9            | 13           |
| Other sundry items   | 69           | 52           | 40           |
|  | <u>\$692</u> | <u>\$614</u> | <u>\$564</u> |

GECC's reported 1981 net earnings (\$142 million) included an income support payment (\$13 million after taxes) made by GE to maintain GECC's fixed charge coverage ratio at 1.15.

#### 5. Interest and other financial charges

Interest capitalized on major property, plant and equipment and real estate development projects was \$38 million in 1982, \$36 million in 1981 and \$29 million in 1980.

#### 6. Provision for income taxes

| (In millions)                                    | 1982         | 1981         | 1980         |
|--|--------------|--------------|--------------|
| U.S. federal income taxes:                       |              |              |              |
| Estimated amount payable                         | \$422        | \$529        | \$574        |
| Effect of timing differences                     | 79           | 31           | 14           |
| Investment credit deferred — net                 | 44           | 46           | 56           |
|  | 545          | 606          | 644          |
| Foreign income taxes:                            |              |              |              |
| Estimated amount payable                         | 301          | 317          | 238          |
| Effect of timing differences                     | 15           | (15)         | 39           |
|  | 316          | 302          | 277          |
| Other (principally state and local income taxes) | 39           | 54           | 37           |
|  | <u>\$900</u> | <u>\$962</u> | <u>\$958</u> |

All General Electric consolidated U.S. federal income tax returns have been closed through 1972.

Provision has been made for federal income taxes to be paid on that portion of the undistributed earnings of affiliates and associated companies expected to be remitted to the parent Company. Undistributed earnings intended to be reinvested indefinitely in affiliates and associated companies totaled \$1,427 million at the end of 1982, \$1,265 million at the end of 1981 and \$1,111 million at the end of 1980.

General Electric Credit Corporation (GECC) is a nonconsolidated finance affiliate for financial reporting but is included in



General Electric's consolidated U.S. federal income tax return. Taxes payable by the consolidated companies shown in the preceding table excludes the effect of significant tax credits and deductions of GECC, arising primarily from its leasing activities.

### Effect of timing differences on U.S. federal income taxes

| Increase (decrease) in provision for income taxes<br>(In millions) | 1982         | 1981         | 1980         |
|--|--------------|--------------|--------------|
| Tax over book depreciation   | \$ 66        | \$ 67        | \$ 48        |
| Undistributed earnings of affiliates and associated companies      | (4)          | 7            | 29           |
| Margin on installment sales  | 14           | 8            | 1            |
| Provision for warranties   | 14           | 23           | (46)         |
| Other — net  | (11)         | (74)         | (18)         |
|  | <u>\$ 79</u> | <u>\$ 31</u> | <u>\$ 14</u> |

Changes in estimated foreign income taxes payable and in the effect of foreign timing differences result principally from fluctuations in foreign earnings and tax rates, and from recognizing in the current year for tax payment purposes the results of transactions in Australia recorded for financial reporting purposes in other years.

Investment credit amounted to \$103 million in 1982, compared with \$95 million in 1981 and \$92 million in 1980. In 1982, \$59 million were included in net earnings, compared with \$49 million in 1981 and \$36 million in 1980. At the end of 1982, the amount deferred to be included in net earnings in future years was \$350 million.

### Reconciliation from statutory to effective income tax rates

|  | 1982         | 1981         | 1980         |
|--|--------------|--------------|--------------|
| U.S. federal statutory rate  | 46.0%        | 46.0%        | 46.0%        |
| Reduction in taxes resulting from:   |              |              |              |
| Varying tax rates of consolidated affiliates (including DISC)                              | (6.9)        | (5.2)        | (4.7)        |
| Inclusion of earnings of the Credit Corporation in before-tax income on an after-tax basis | (3.4)        | (2.2)        | (2.1)        |
| Investment credit  | (2.1)        | (1.8)        | (1.5)        |
| Income tax at capital gains rate   | (0.4)        | (0.2)        | (0.1)        |
| Other — net  | (0.5)        | (0.4)        | 0.8          |
| Effective tax rate   | <u>32.7%</u> | <u>36.2%</u> | <u>38.4%</u> |

Based on the location of the component furnishing goods or services, domestic income before taxes was \$2,050 million in 1982 (\$2,014 million in 1981 and \$1,854 million in 1980). The corresponding amounts for foreign-based operations were \$703 million, \$646 million and \$639 million in each of the last three years, respectively. Provision for income taxes is deter-

mined on the basis of the jurisdiction imposing the tax liability. Therefore, U.S. and foreign taxes shown on page 38 do not compare directly with these segregations.

### 7. Earnings per common share

Earnings per share are based on the average number of shares outstanding. Any dilution which would result from the potential exercise or conversion of such items as stock options or convertible debt outstanding is insignificant (approximately 1% in 1982, 1981 and 1980).

### 8. Cash and marketable securities

Deposits restricted as to usage and withdrawal or used as partial compensation for short-term borrowing arrangements were not material.

Marketable securities, except for equity securities, are carried at the lower of amortized cost or market value. At December 31, 1982, marketable securities included equity securities carried at cost of \$37 million. Carrying value of marketable securities was substantially the same as market value at year-end 1982 and 1981.

### 9. Current receivables

| December 31 (In millions)     | 1982           | 1981           |
|-------------------------------|----------------|----------------|
| Customers' accounts and notes | \$3,918        | \$3,989        |
| Associated companies          | 91             | 49             |
| Nonconsolidated affiliates    | 7              | 21             |
| Other                         | 842            | 927            |
|                               | <u>4,858</u>   | <u>4,986</u>   |
| Less allowance for losses     | (118)          | (114)          |
|                               | <u>\$4,740</u> | <u>\$4,872</u> |

### 10. Inventories

| December 31 (In millions)         | 1982           | 1981           |
|-----------------------------------|----------------|----------------|
| Raw materials and work in process | \$1,841        | \$2,089        |
| Finished goods                    | 931            | 1,099          |
| Unbilled shipments                | 257            | 273            |
|                                   | <u>\$3,029</u> | <u>\$3,461</u> |

About 81% of total inventories are valued using the LIFO method of inventory accounting. LIFO reserves applicable to businesses disposed of during 1982 were \$36 million at the time of disposition. Substantial reductions in inventory levels resulted in additional liquidations of LIFO bases from prior years and, consequently, LIFO reserves were reduced \$231 million. Partially offsetting these reductions were increased LIFO reserves of \$68 million to reflect higher resource prices.

If the FIFO method of inventory accounting had been used to value all inventories, they would have been \$2,266 million higher than reported at December 31, 1982 (\$2,465 million higher at year-end 1981).



## 11. Property, plant and equipment

| (In millions)   | 1982            | 1981            |
|---|-----------------|-----------------|
| Major classes at December 31:   |                 |                 |
| Manufacturing plant and equipment   |                 |                 |
| Land and improvements   | \$ 188          | \$ 164          |
| Buildings, structures and related equipment   | 2,851           | 2,581           |
| Machinery and equipment   | 7,884           | 7,121           |
| Leasehold costs and manufacturing plant under construction  | 424             | 576             |
| Mineral property, plant and equipment   | 2,496           | 2,263           |
|   | <u>\$13,843</u> | <u>\$12,705</u> |
| Cost at January 1   | \$12,705        | \$11,035        |
| Additions   | 1,608           | 2,025           |
| Dispositions  | (470)           | (355)           |
| Cost at December 31   | <u>\$13,843</u> | <u>\$12,705</u> |
| <b>Accumulated depreciation, depletion and amortization</b>                                       |                 |                 |
| Balance at January 1  | \$ 5,861        | \$ 5,255        |
| Current-year provision  | 984             | 882             |
| Dispositions  | (304)           | (267)           |
| Other changes   | (6)             | (9)             |
| Balance at December 31  | <u>\$ 6,535</u> | <u>\$ 5,861</u> |
| <b>Property, plant and equipment less depreciation, depletion and amortization at December 31</b> | <u>\$ 7,308</u> | <u>\$ 6,844</u> |

## 12. Investments

| December 31 (In millions)                       | 1982           | 1981           |
|---|----------------|----------------|
| Nonconsolidated finance affiliates              | \$1,290        | \$1,082        |
| Associated companies                            | 411            | 345            |
| Miscellaneous investments (at cost):            |                |                |
| Government and government-guaranteed securities | 292            | 186            |
| Other   | 146            | 104            |
|   | <u>438</u>     | <u>290</u>     |
| Marketable equity securities                    | 175            | 43             |
| Nonconsolidated uranium mining affiliate        | —              | 168            |
| Less allowance for losses                       | (27)           | (21)           |
|   | <u>\$2,287</u> | <u>\$1,907</u> |

Condensed consolidated financial statements for the principal nonconsolidated finance affiliate, General Electric Credit Corporation (GECC), follow. During the normal course of business, GECC has transactions with the parent General Electric Company and certain of its consolidated affiliates, and GECC results are included in General Electric's consolidated U.S. federal income tax return. Virtually all products financed by GECC are manufactured by companies other than General Electric.

GECC's net earnings for 1981 as shown in its earnings statement (\$142 million) have been reduced by the after-tax effect (\$13 million) of the income support payment to arrive at the \$129 million presented in Note 4.

## General Electric Credit Corporation Current and retained earnings

| For the year (In millions)       | 1982          | 1981          | 1980          |
|----------------------------------|---------------|---------------|---------------|
| Earned income                    | \$1,939       | \$1,782       | \$1,389       |
| Expenses:                        |               |               |               |
| Interest and discount            | 1,018         | 1,045         | 719           |
| Operating and administrative     | 578           | 490           | 451           |
| Provision for losses             |               |               |               |
| — receivables                    | 115           | 101           | 75            |
| — other assets                   | 5             | (3)           | 3             |
|                                  | <u>1,716</u>  | <u>1,633</u>  | <u>1,248</u>  |
| Operating income                 | 223           | 149           | 141           |
| Income support payment from GE   | —             | 25            | —             |
| Earnings before income taxes     | 223           | 174           | 141           |
| Provision for income taxes       | 18            | 32            | 26            |
| Net earnings                     | 205           | 142           | 115           |
| Less dividends                   | (163)         | (102)         | (93)          |
| Retained earnings at January 1   | 301           | 261           | 239           |
| Retained earnings at December 31 | <u>\$ 343</u> | <u>\$ 301</u> | <u>\$ 261</u> |

## Financial position

| December 31 (In millions)                        | 1982            | 1981            |
|--|-----------------|-----------------|
| Cash and marketable securities                   | \$ 659          | \$ 463          |
| Receivables:                                     |                 |                 |
| Time sales and loans                             | 9,061           | 9,157           |
| Deferred income                                  | (1,635)         | (1,642)         |
|  | <u>7,426</u>    | <u>7,515</u>    |
| Investment in financing leases                   | 3,517           | 2,732           |
| Sundry receivables                               | 474             | 571             |
| Total receivables                                | 11,417          | 10,818          |
| Allowance for losses                             | (331)           | (294)           |
| Receivables — net                                | <u>11,086</u>   | <u>10,524</u>   |
| Equipment on operating leases — net              | 592             | 433             |
| Other assets                                     | 429             | 392             |
| Total assets                                     | <u>\$12,766</u> | <u>\$11,812</u> |
| Notes payable:                                   |                 |                 |
| Due within one year                              | \$ 5,669        | \$ 5,800        |
| Long-term — senior                               | 2,764           | 2,321           |
| — subordinated                                   | 475             | 480             |
| Other liabilities                                | 840             | 903             |
| Total liabilities                                | <u>9,748</u>    | <u>9,504</u>    |
| Deferred income taxes                            | 1,699           | 1,202           |
| Deferred investment tax credits                  | 40              | 32              |
| Capital stock                                    | 761             | 761             |
| Additional paid-in capital                       | 175             | 12              |
| Retained earnings                                | 343             | 301             |
| Equity   | <u>1,279</u>    | <u>1,074</u>    |
| Total liabilities, deferred tax items and equity | <u>\$12,766</u> | <u>\$11,812</u> |

More information is available in GECC's 1982 Annual Report, which may be obtained by writing to: General Electric



Credit Corporation, P.O. Box 8300, Stamford, Conn. 06904.

Other miscellaneous investments at December 31, 1982, include 20% of the common stock of the former nonconsolidated uranium mining affiliate. In March 1982, 80% of the common stock of that affiliate was sold for approximately book value, and the remainder is contracted to be sold within five years. The estimated realizable value of miscellaneous investments was approximately the same as cost at December 31, 1982 and 1981.

Marketable equity securities are carried at cost. Aggregate market value of marketable equity securities was \$430 million and \$365 million at year-end 1982 and 1981, respectively. At December 31, 1982, gross unrealized gains on marketable equity securities were \$280 million and gross unrealized losses were \$25 million.

Investments in nonconsolidated affiliates and associated companies included advances of \$102 million at December 31, 1982 (\$72 million at December 31, 1981).

### 13. Other assets

| December 31   | (In millions) | 1982           | 1981           |
|---|---------------|----------------|----------------|
| Long-term receivables                                 |               | \$ 536         | \$ 385         |
| Deferred charges                                      |               | 241            | 206            |
| Goodwill  |               | 198            | 141            |
| Recoverable engineering costs on government contracts |               | 192            | 145            |
| Licenses and other intangibles                        |               | 177            | 189            |
| Real estate development projects                      |               | 162            | 148            |
| Customer financing                                    |               | 100            | 118            |
| Other   |               | 58             | 55             |
|   |               | <u>\$1,664</u> | <u>\$1,387</u> |

During 1981, a number of acquisitions were consummated and were accounted for as purchases. The difference between total acquisition costs of \$409 million (\$381 million in cash and 486,000 shares of common stock) and the value of net tangible and identifiable intangible assets acquired was recorded as goodwill to be amortized over no more than 20 years. The acquired net assets and operations were not material to consolidated financial results.

### 14. Short-term borrowings

| December 31  | (In millions)  | 1982                    | 1981                    |
|--|----------------|-------------------------|-------------------------|
|  | Amount         | Average rate at Dec. 31 | Average rate at Dec. 31 |
| Parent notes with trust departments                      | \$ 299         | 8.3%                    | \$ 371 12.6%            |
| Consolidated affiliate bank borrowings                   | 474            | 29.4                    | 449 28.5                |
| Other, including current portion of long-term borrowings | 264            |                         | 351                     |
|  | <u>\$1,037</u> |                         | <u>\$1,171</u>          |

The average balance of short-term borrowings, excluding the current portion of long-term borrowings, was \$927 million during 1982 (calculated by averaging all month-end balances

for the year), compared with an average balance of \$991 million in 1981. The maximum balance included in these calculations was \$1,022 million and \$1,205 million at the end of January 1982 and April 1981, respectively. The average effective interest rate for the year 1982 was 19.1% and for 1981 was 21.8%. These average rates represent total short-term interest incurred, divided by the average balance outstanding.

Other borrowings included amounts from nonconsolidated affiliates of \$112 million at December 31, 1982 (\$141 million in 1981).

Although the total unused credit available to the Company through banks and commercial credit markets is not readily quantifiable, confirmed credit lines of approximately \$1 billion had been extended by about 70 banks at year-end 1982. Of these lines, approximately \$500 million are also available for use by General Electric Credit Corporation.

### 15. Accounts payable

| December 31                         | (In millions) | 1982           | 1981           |
|-------------------------------------|---------------|----------------|----------------|
| Trade accounts                      |               | \$1,228        | \$1,371        |
| Collected for the account of others |               | 203            | 230            |
| Due to nonconsolidated affiliates   |               | 313            | 411            |
|                                     |               | <u>\$1,744</u> | <u>\$2,012</u> |

### 16. Other costs and expenses accrued

The balances at year-end 1982 and 1981 included compensation and benefit costs accrued of \$751 million and \$735 million, respectively.

### 17. Long-term borrowings

| Outstanding<br>December 31                        | (In millions) | 1982    | 1981 | Due<br>date | Sinking fund/<br>prepayment/<br>period |
|---|---------------|---------|------|-------------|--|
| General Electric Company:                         |               |         |      |             |  |
| 5¾% Notes   | \$ 50         | \$ 56   | 1991 | 1972-90     |  |
| 5.30% Debentures                                  | 37            | 62      | 1992 | 1973-91     |  |
| 7½% Debentures                                    | 127           | 133     | 1996 | 1977-95     |  |
| 8½% Debentures                                    | 276           | 284     | 2004 | 1985-03     |  |
| Utah International Inc.:                          |               |         |      |             |  |
| Notes with banks                                  | 61            | 71      | 1993 | 1982-93     |  |
| 8% Guaranteed Sinking<br>Fund Debentures          | 12            | 13      | 1987 | 1977-87     |  |
| 7.6% Notes  | 20            | 24      | 1988 | 1974-88     |  |
| Other   | 29            | 28      |      |             |  |
| General Electric Overseas<br>Capital Corporation: |               |         |      |             |  |
| 4¼% Bonds   | 23            | 23      | 1985 | 1976-84     |  |
| 4¼% Debentures                                    | 49            | 50      | 1987 | None        |  |
| 5½% Sterling/Dollar<br>Guaranteed<br>Loan Stock   | 6             | 7       | 1993 | None        |  |
| Other   | —             | 33      |      |             |  |
| All other   | 325           | 275     |      |             |  |
|   | \$1,015       | \$1,059 |      |             |  |

Utah International Inc. notes with banks were subject to average interest rates at year-end 1982 and 1981 of 10.0% and 10.4%, respectively.

Borrowings of General Electric Overseas Capital Corpora-



tion (GEOCC) are unconditionally guaranteed by General Electric as to payment of principal, premium if any, and interest. Borrowings include 4¼% Guaranteed Debentures due in 1987, which are convertible into General Electric common stock at \$80.75 a share, and 5½% Sterling/Dollar Guaranteed Loan Stock due in 1993 in the amount of £3.4 million (\$6 million), convertible into GE common stock at \$73.50 a share. Requirements for the maximum number of shares for GEOCC convertible debt (720,000 shares at December 31, 1982) may be met either from unissued shares or from shares in treasury.

All other long-term borrowings were largely by foreign and real estate development affiliates with various interest rates and maturities, and included amounts due to nonconsolidated affiliates of \$7 million in 1982 and 1981.

Long-term borrowing maturities during the next five years, including the portion classified as current, are \$124 million in 1983, \$130 million in 1984, \$93 million in 1985, \$61 million in 1986 and \$150 million in 1987. These amounts are after deducting debentures which have been reacquired for sinking fund needs.

## 18. Common stock

| (In millions)  | 1982         | 1981         | 1980         |
|--|--------------|--------------|--------------|
| <b>Common stock issued</b>                               |              |              |              |
| Balance January 1 and December 31                        | <u>\$579</u> | <u>\$579</u> | <u>\$579</u> |
| <b>Amounts received for stock in excess of par value</b> |              |              |              |
| Balance January 1  | \$657        | \$659        | \$656        |
| Gain/(loss) on disposition of treasury stock             | <u>19</u>    | <u>(2)</u>   | <u>3</u>     |
| Balance December 31                                      | <u>\$676</u> | <u>\$657</u> | <u>\$659</u> |
| <b>Common stock held in treasury</b>                     |              |              |              |
| Balance January 1  | \$196        | \$189        | \$180        |
| Purchases  | 222          | 176          | 145          |
| Dispositions:  |              |              |              |
| Employee savings plans                                   | (103)        | (113)        | (99)         |
| Employee stock ownership plan                            | (37)         | (24)         | (16)         |
| Incentive compensation plans                             | (5)          | (5)          | (7)          |
| Stock options and appreciation rights                    | (57)         | (14)         | (14)         |
| Exchange for long-term debt                              | (12)         | —            | —            |
| Business acquisitions                                    | (2)          | (13)         | —            |
| Balance December 31                                      | <u>\$202</u> | <u>\$196</u> | <u>\$189</u> |

## Shares of stock

| December 31 (In thousands) | 1982           | 1981           | 1980           |
|----------------------------|----------------|----------------|----------------|
| Issued                     | 231,464        | 231,464        | 231,464        |
| In treasury                | <u>(3,632)</u> | <u>(3,703)</u> | <u>(3,699)</u> |
| Outstanding                | <u>227,832</u> | <u>227,761</u> | <u>227,765</u> |

The current Proxy Statement includes a proposal recommended by the Board of Directors on February 18, 1983, which, if approved by share owners, would (a) increase the number of authorized shares of common stock from 251,500,000 shares each with a par value of \$2.50 to 550,000,000 shares each with a par value of \$1.25 and (b) split each presently issued share, including shares held in treasury, into two shares of common stock each with a par value of \$1.25.

Shares of stock needed for incentive compensation plans as described in the Company's Proxy Statement may be met either from unissued shares or from shares in treasury.

## 19. Stock option information

| (Shares in thousands)                                  | Shares subject to option | Average per share<br>Option price | Market price |
|--|--------------------------|-----------------------------------|--------------|
| Balance at January 1, 1981                             | 4,303                    | \$51.56                           | \$61.25      |
| Options granted  | 921                      | 56.20                             | 56.20        |
| Options exercised                                      | (254)                    | 48.99                             | 63.74        |
| Options surrendered on exercise of appreciation rights | (130)                    | 48.00                             | 63.29        |
| Options terminated                                     | (200)                    | 55.65                             | —            |
| Balance at December 31, 1981                           | 4,640                    | 52.55                             | 57.48        |
| Options granted  | 896                      | 76.23                             | 76.23        |
| Options exercised                                      | (995)                    | 54.73                             | 78.56        |
| Options surrendered on exercise of appreciation rights | (561)                    | 52.93                             | 78.00        |
| Options terminated                                     | (84)                     | 56.46                             | —            |
| Balance at December 31, 1982                           | <u>3,896</u>             | 57.28                             | 94.88        |

Stock option plans, appreciation rights and performance units are described in the Company's current Proxy Statement. The number of shares available for granting additional options at the end of 1982 was 221,794 (1,044,373 at the end of 1981).

## 20. Commitments and contingent liabilities

Lease commitments and contingent liabilities, consisting of guarantees, pending litigation, taxes and other claims, in the opinion of management, are not considered to be material in relation to the Company's financial position.



# Industry segment information

(In millions)

## Revenues

For the years ended December 31

|                                  | Total revenues |          |          | Intersegment sales |         |         | External sales and other income |          |          |
|----------------------------------|----------------|----------|----------|--------------------|---------|---------|---------------------------------|----------|----------|
|                                  | 1982           | 1981     | 1980     | 1982               | 1981    | 1980    | 1982                            | 1981     | 1980     |
| Services and materials           | \$ 2,446       | \$ 2,464 | \$ 2,115 | \$ 180             | \$ 91   | \$ 84   | \$ 2,266                        | \$ 2,373 | \$ 2,031 |
| GE earnings from GECC            | 205            | 129      | 115      | —                  | —       | —       | 205                             | 129      | 115      |
| Total services and materials     | 2,651          | 2,593    | 2,230    | 180                | 91      | 84      | 2,471                           | 2,502    | 2,146    |
| Consumer products                | 5,996          | 6,643    | 6,342    | 96                 | 128     | 111     | 5,900                           | 6,515    | 6,231    |
| Industrial products              | 4,215          | 4,871    | 4,690    | 264                | 363     | 352     | 3,951                           | 4,508    | 4,338    |
| Natural resources                | 1,575          | 1,722    | 1,374    | —                  | —       | —       | 1,575                           | 1,722    | 1,374    |
| Power systems                    | 6,208          | 5,982    | 5,815    | 240                | 223     | 272     | 5,968                           | 5,759    | 5,543    |
| Technical systems                | 4,266          | 3,979    | 3,252    | 223                | 195     | 206     | 4,043                           | 3,784    | 3,046    |
| Aircraft engine                  | 3,140          | 2,950    | 2,660    | 48                 | 55      | 36      | 3,092                           | 2,895    | 2,624    |
| Corporate items and eliminations | (859)          | (886)    | (840)    | (1,051)            | (1,055) | (1,061) | 192                             | 169      | 221      |
| Total                            | \$27,192       | \$27,854 | \$25,523 | \$ —               | \$ —    | \$ —    | \$27,192                        | \$27,854 | \$25,523 |

## Operating profit

For the years ended December 31

|                                      | 1982     | 1981     | 1980     |
|--------------------------------------|----------|----------|----------|
| Services and materials               | \$ 385   | \$ 477   | \$ 403   |
| GE earnings from GECC                | 205      | 129      | 115      |
| Total services and materials         | 590      | 606      | 518      |
| Consumer products                    | 445      | 549      | 615      |
| Industrial products                  | 443      | 495      | 438      |
| Natural resources                    | 499      | 493      | 404      |
| Power systems                        | 635      | 446      | 366      |
| Technical systems                    | 227      | 249      | 230      |
| Aircraft engine                      | 344      | 322      | 275      |
| Total segment operating profit       | 3,183    | 3,160    | 2,846    |
| Interest and other financial charges | (344)    | (401)    | (314)    |
| Corporate items and eliminations     | (86)     | (99)     | (39)     |
| Total                                | \$ 2,753 | \$ 2,660 | \$ 2,493 |

## Net earnings

For the years ended December 31

|                                  | 1982     | 1981     | 1980     |
|----------------------------------|----------|----------|----------|
| Services and materials           | \$ 203   | \$ 253   | \$ 206   |
| GE earnings from GECC            | 205      | 129      | 115      |
| Total services and materials     | 408      | 382      | 321      |
| Consumer products                | 239      | 292      | 312      |
| Industrial products              | 234      | 242      | 225      |
| Natural resources                | 318      | 284      | 224      |
| Power systems                    | 362      | 224      | 201      |
| Technical systems                | 83       | 98       | 105      |
| Aircraft engine                  | 161      | 149      | 141      |
| Total segment operating profit   | 12       | (19)     | (15)     |
| Corporate items and eliminations | (86)     | (99)     | (39)     |
| Total                            | \$ 1,817 | \$ 1,652 | \$ 1,514 |

## Assets

At December 31

|                                  | 1982     | 1981     | 1980     |
|----------------------------------|----------|----------|----------|
| Services and materials           | \$ 2,360 | \$ 2,150 | \$ 1,835 |
| Investment in GECC               | 1,279    | 1,074    | 931      |
| Total services and materials     | 3,639    | 3,224    | 2,766    |
| Consumer products                | 2,739    | 2,926    | 2,656    |
| Industrial products              | 2,010    | 2,074    | 2,031    |
| Natural resources                | 2,565    | 2,359    | 2,109    |
| Power systems                    | 3,390    | 3,718    | 3,702    |
| Technical systems                | 2,395    | 2,309    | 1,713    |
| Aircraft engine                  | 2,174    | 1,951    | 1,703    |
| Corporate items and eliminations | 2,703    | 2,381    | 1,831    |
| Total                            | \$21,615 | \$20,942 | \$18,511 |

## Property, plant and equipment

For the years ended December 31

|                                  | Additions |          |          | Depreciation, depletion and amortization |        |        |
|----------------------------------|-----------|----------|----------|--|--------|--------|
|                                  | 1982      | 1981     | 1980     | 1982                                     | 1981   | 1980   |
| Services and materials           | \$ 293    | \$ 340   | \$ 352   | \$ 149                                   | \$ 126 | \$ 94  |
| Investment in GECC               | —         | —        | —        | —  | —      | —      |
| Total services and materials     | 293       | 340      | 352      | 149                                      | 126    | 94     |
| Consumer products                | 232       | 309      | 267      | 170                                      | 162    | 145    |
| Industrial products              | 187       | 187      | 170      | 108                                      | 93     | 83     |
| Natural resources                | 237       | 325      | 446      | 114                                      | 111    | 94     |
| Power systems                    | 225       | 285      | 250      | 188                                      | 181    | 150    |
| Technical systems                | 247       | 327      | 167      | 136                                      | 104    | 76     |
| Aircraft engine                  | 140       | 187      | 239      | 93                                       | 86     | 50     |
| Corporate items and eliminations | 47        | 65       | 57       | 26                                       | 19     | 15     |
| Total                            | \$ 1,608  | \$ 2,025 | \$ 1,948 | \$ 984                                   | \$ 882 | \$ 707 |

The grouping of products and services for industry segment reporting purposes closely parallels the way the Company

was organized into Sectors for internal management purposes during 1982, except that the classification is on a worldwide



basis. This means that products and services of multi-industry foreign affiliates are classified by appropriate industry segments. Principal types of products and services within each segment, as well as additional commentary relevant to segment operations, are on pages 20 through 27 of this Report.

Approximately one-sixth of external sales in 1982 were to agencies of the U.S. government, which is the Company's largest single customer. Most of these sales were aerospace products and services, which are included in the Technical Systems industry segment, and aircraft engines and related products and services.

**Net earnings for industry segments** include allocation of corporate interest income, expense and other financial charges to parent Company components based on change in individual component average non-fixed investment. Interest

and other financial charges of a number of affiliated companies recognize that such companies service their own debt.

General corporate expenses are allocated principally on the basis of cost of operations, with certain exceptions and reductions which recognize the varying degrees to which affiliated companies maintain their own corporate structures.

In addition, provision for income taxes (\$900 million in 1982, \$962 million in 1981 and \$958 million in 1980) is allocated based on the total corporate effective tax rate, except for GECC and Natural Resources, whose income taxes are calculated separately.

Minority interest (\$36 million in 1982, \$46 million in 1981 and \$21 million in 1980) is allocated to operating components having responsibility for investments in consolidated affiliates.

In general, it is GE policy to price internal sales as nearly as practicable to equivalent commercial selling prices.

## Geographic segment information

**Revenues**  
(In millions) For the years ended December 31

|  | Total revenues  |                 |                 | Intersegment sales |             |             | External sales and other income |                 |                 |
|--|-----------------|-----------------|-----------------|--------------------|-------------|-------------|---------------------------------|-----------------|-----------------|
|  | 1982            | 1981            | 1980            | 1982               | 1981        | 1980        | 1982                            | 1981            | 1980            |
| United States                            | \$22,311        | \$22,697        | \$20,750        | \$ 609             | \$ 667      | \$ 484      | \$21,702                        | \$22,030        | \$20,266        |
| Far East including Australia             | 1,453           | 1,624           | 1,277           | 316                | 397         | 355         | 1,137                           | 1,227           | 922             |
| Other areas of the world                 | 4,568           | 4,798           | 4,459           | 215                | 201         | 124         | 4,353                           | 4,597           | 4,335           |
| Elimination of intracompany transactions | (1,140)         | (1,265)         | (963)           | (1,140)            | (1,265)     | (963)       | —                               | —               | —               |
| Total                                    | <u>\$27,192</u> | <u>\$27,854</u> | <u>\$25,523</u> | <u>\$ —</u>        | <u>\$ —</u> | <u>\$ —</u> | <u>\$27,192</u>                 | <u>\$27,854</u> | <u>\$25,523</u> |

**Net Earnings**  
For the years ended December 31

|  | 1982            | 1981            | 1980            |
|--|-----------------|-----------------|-----------------|
| United States                            | \$ 1,415        | \$ 1,373        | \$ 1,175        |
| Far East including Australia             | 240             | 228             | 169             |
| Other areas of the world                 | 155             | 68              | 181             |
| Elimination of intracompany transactions | 7               | (17)            | (11)            |
| Total                                    | <u>\$ 1,817</u> | <u>\$ 1,652</u> | <u>\$ 1,514</u> |

**Assets**  
At December 31

|  | 1982            | 1981            | 1980            |
|--|-----------------|-----------------|-----------------|
|  | \$16,379        | \$16,004        | \$13,732        |
|  | 1,337           | 1,187           | 1,090           |
|  | 4,036           | 3,902           | 3,808           |
|  | (137)           | (151)           | (119)           |
|  | <u>\$21,615</u> | <u>\$20,942</u> | <u>\$18,511</u> |

**Geographic segment information** (including allocation of income taxes and minority interest in earnings of consolidated affiliates) is based on the location of the operation furnishing goods or services. Included in United States revenues were export sales to unaffiliated customers of \$3,312 million in 1982, \$3,681 million in 1981 and \$3,781 million in 1980. Of such sales, \$1,829 million in 1982 (\$2,024 million in 1981 and \$2,089 million in 1980) were to customers in Europe, Africa and the Middle East; and \$866 million in 1982 (\$776 million in 1981 and \$926 million in 1980) were to customers in the Far East including Australia. U.S. revenues also include royalty

and licensing income from unaffiliated foreign sources.

Revenues, net earnings and assets associated with foreign operations are shown in the tabulations above. At December 31, 1982, foreign operation liabilities, minority interest in equity and GE interest in equity were \$2,877 million, \$163 million and \$2,333 million, respectively. On a comparable basis, the amounts were \$2,789 million, \$154 million and \$2,146 million, respectively, at December 31, 1981; and \$2,562 million, \$141 million and \$2,195 million, respectively, at December 31, 1980.

## Supplementary data

(Unaudited)

### Effect of changing prices

In accordance with Financial Accounting Standards Board requirements, the table at the right shows two different ways of attempting to remove inflationary impacts from financial results as traditionally reported.

In both "adjusted for" columns, restatements are made to (1) cost of goods sold for the current cost of replacing inventories, and (2) depreciation for the current cost of plant and equipment. The column headed "general inflation" uses only the Consumer Price Index to calculate the restatement, while the column headed "current costs" uses data more specifically representative of costs incurred by General Electric.

Restatements to cost of goods sold recognize the effect of some reduction in LIFO-valued inventories during 1982, which charged cost of goods sold in traditional statements for cost levels applicable to prior years. Restatements of depreciation expense to current levels are relatively large, reflecting the cumulative effect of price increases since the assets were acquired.

The five-year summary on page 46 includes additional selected financial data adjusted for the effect of changing prices.

GE Annual Reports for 1979 and 1980 included technical information about methodology used by GE in preparing these

data. Copies of those Reports may be obtained from Investor Relations at the address shown on page 55.

| (In millions)                                    | For the year ended December 31, 1982 |                                       |               |
|--|--------------------------------------|---------------------------------------|---------------|
|  | As reported                          | Adjusted for (a)<br>general inflation | current costs |
| Sales of products and services to customers      | \$26,500                             | \$26,500                              | \$26,500      |
| Cost of goods sold                               | 18,605                               | 18,891                                | 18,852        |
| Selling, general and administrative expense      | 4,506                                | 4,506                                 | 4,506         |
| Depreciation, depletion and amortization         | 984                                  | 1,456                                 | 1,382         |
| Operating costs                                  | 24,095                               | 24,853                                | 24,740        |
| Operating margin                                 | 2,405                                | 1,647                                 | 1,760         |
| Other income                                     | 692                                  | 692                                   | 692           |
| Interest and other financial charges             | (344)                                | (344)                                 | (344)         |
| Earnings before income taxes                     | 2,753                                | 1,995                                 | 2,108         |
| Provision for income taxes                       | (900)                                | (900)                                 | (900)         |
| Minority interest                                | (36)                                 | (29)                                  | (29)          |
| Net earnings                                     | \$ 1,817                             | \$ 1,066                              | \$ 1,179      |
| Earnings per share (in dollars)                  | \$ 8.00                              | \$ 4.70                               | \$ 5.19       |
| Share owners' equity at December 31              | \$10,198                             | \$15,071                              | \$14,888      |
| (a) In dollars of average 1982 purchasing power. |                                      |                                       |               |

### Mineral resource statistics

Statistical data about the principal mineral assets of Utah International follow.

#### Coal

| (Quantities in millions)     | 1982    | 1981    | 1980    | 1979    |
|------------------------------|---------|---------|---------|---------|
| Coking coal (a)              |         |         |         |         |
| Metric tons shipped (b)      | 13.5    | 16.0    | 13.1    | 13.8    |
| Average price/metric ton (c) | \$57.88 | \$55.22 | \$51.09 | \$48.39 |
| Steam coal                   |         |         |         |         |
| Tons shipped (b)             | 15.2    | 13.7    | 10.5    | 8.8     |
| Average price/ton            | \$16.47 | \$13.83 | \$ 7.82 | \$ 7.09 |

(a) Represents Utah's share from five principal mines it operates in Queensland through an affiliate. Utah's share is 89% of one mine and 68% of the others.

(b) About the same as production.

(c) Represents average prices published by an agency of the Australian government for Queensland production, including Utah-operated mines.

Coking coal is mined by a Utah affiliate, Utah Development Company, under long-term, renewable Special Coal Mining Leases granted by the state of Queensland, Australia. At December 31, 1982, Utah's share of export entitlements under Special Coal Mining Leases granted by Queensland amounted to 385 million metric tons. Proven reserve quantities in the leased areas were in excess of the entitlements. About 12% of presently available reserves are committed under long-term sales contracts.

Total proven steam coal reserves where operations or active development plans are under way aggregated about 1.6 billion tons at the end of 1982. About 25% of these reserves are currently committed under long-term sales contracts. In addition, at the end of 1982, Utah had other proven steam coal reserves of about 2.1 billion tons.

The only significant changes in steam coal reserves in recent years were the acquisitions in 1980 of reserves aggregating about 470 million tons in the U.S.

#### Island Copper Mine

| (Quantities in thousands)         | 1982    | 1981    | 1980    | 1979    |
|-----------------------------------|---------|---------|---------|---------|
| Ore milled (tons)                 | 16,857  | 15,605  | 15,192  | 14,705  |
| Average percent recovery          | 85.5%   | 85.4%   | 85.2%   | 87.5%   |
| Pounds of copper                  |         |         |         |         |
| —sold (a)                         | 118,807 | 117,012 | 110,305 | 110,309 |
| Average price per pound of copper |         |         |         |         |
| —copper                           | \$0.66  | \$0.78  | \$0.98  | \$0.93  |
| —byproducts                       | 0.29    | 0.39    | 0.65    | 0.43    |
| (a) About the same as production. |         |         |         |         |

At 1982 year end, proved or probable reserves at Island Copper Mine in British Columbia were approximately 156 million tons of ore with a grade of approximately 0.48% copper. These reserves also include gold, silver, molybdenum and rhodium as byproducts. About 22% of copper reserves are currently committed under long-term contracts. There have been no significant changes in Island Copper reserve estimates in recent years other than for the effect of production.



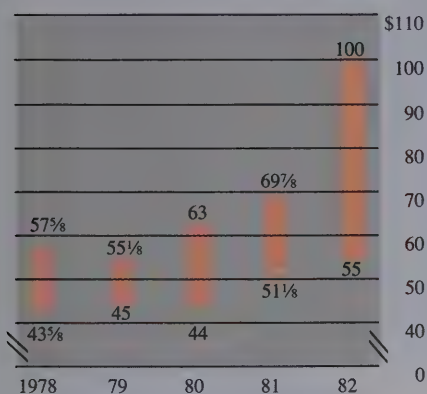
# Five-year summary

Selected financial data

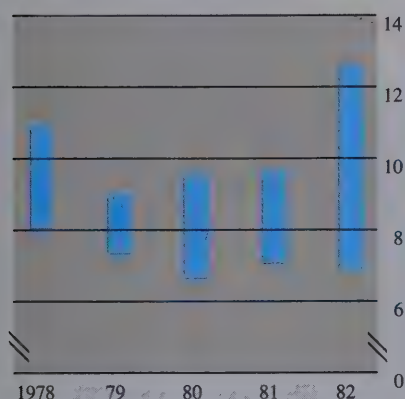
| (Dollar amounts in millions; per-share amounts in dollars)  | 1982     | 1981     | 1980     | 1979     | 1978     |
|---|----------|----------|----------|----------|----------|
| <b>Summary of operations</b>  |          |          |          |          |          |
| Sales of products and services to customers   | \$26,500 | \$27,240 | \$24,959 | \$22,461 | \$19,654 |
| Operating costs   | 24,095   | 24,793   | 22,716   | 20,331   | 17,696   |
| Operating margin  | 2,405    | 2,447    | 2,243    | 2,130    | 1,958    |
| Other income  | 692      | 614      | 564      | 519      | 419      |
| Interest and other financial charges  | (344)    | (401)    | (314)    | (258)    | (224)    |
| Earnings before income taxes and minority interest  | 2,753    | 2,660    | 2,493    | 2,391    | 2,153    |
| Provision for income taxes  | (900)    | (962)    | (958)    | (953)    | (894)    |
| Minority interest   | (36)     | (46)     | (21)     | (29)     | (29)     |
| Net earnings  | \$ 1,817 | \$ 1,652 | \$ 1,514 | \$ 1,409 | \$ 1,230 |
| Earnings per common share   | \$ 8.00  | \$ 7.26  | \$ 6.65  | \$ 6.20  | \$ 5.39  |
| Dividends declared per common share   | \$ 3.35  | \$ 3.15  | \$ 2.95  | \$ 2.75  | \$ 2.50  |
| Earnings as a percentage of sales   | 6.9%     | 6.1%     | 6.1%     | 6.3%     | 6.3%     |
| Earned on average share owners' equity  | 18.8%    | 19.1%    | 19.5%    | 20.2%    | 19.6%    |
| Dividends declared  | \$ 760   | \$ 715   | \$ 670   | \$ 624   | \$ 570   |
| Shares outstanding—average (in thousands)   | 227,039  | 227,528  | 227,541  | 227,173  | 227,985  |
| Share owner accounts—average  | 502,000  | 514,000  | 524,000  | 540,000  | 552,000  |
| Current assets  | \$10,356 | \$10,804 | \$ 9,883 | \$ 9,384 | \$ 8,755 |
| Current liabilities   | 8,153    | 8,734    | 7,592    | 6,872    | 6,175    |
| Working capital   | \$ 2,203 | \$ 2,070 | \$ 2,291 | \$ 2,512 | \$ 2,580 |
| Total assets  | \$21,615 | \$20,942 | \$18,511 | \$16,644 | \$15,036 |
| Share owners' equity  | 10,198   | 9,128    | 8,200    | 7,362    | 6,587    |
| Total capital invested (borrowings and equity)  | 12,415   | 11,524   | 10,447   | 9,332    | 8,692    |
| Borrowings as a percentage of total capital invested  | 16.5%    | 19.4%    | 20.0%    | 19.5%    | 22.5%    |
| Earned on average total capital invested  | 17.1%    | 17.4%    | 17.3%    | 17.6%    | 16.3%    |
| Property, plant and equipment additions   | \$ 1,608 | \$ 2,025 | \$ 1,948 | \$ 1,262 | \$ 1,055 |
| Worldwide employment—average  | 367,000  | 404,000  | 402,000  | 405,000  | 401,000  |
| <b>Selected financial data adjusted for the effect of changing prices in dollars of average 1982 purchasing power</b> |          |          |          |          |          |
| Sales   | \$26,500 | \$28,902 | \$29,236 | \$29,861 | \$29,071 |
| <b>Current cost information</b>   |          |          |          |          |          |
| Net earnings  | 1,179    | 1,235    | 1,172    | 1,310    | 1,280    |
| Net earnings per share  | 5.19     | 5.43     | 5.16     | 5.77     | 5.61     |
| Share owners' equity at December 31   | 14,888   | 14,949   | 15,126   | 14,829   | 14,651   |
| Excess of increase in general price level over increases in specific GE price levels (a)                              | 543      | 746      | 229      | 437      |          |
| <b>General price level only</b>   |          |          |          |          |          |
| Net earnings  | 1,066    | 1,199    | 1,205    | 1,415    |          |
| Net earnings per share  | 4.70     | 5.27     | 5.29     | 6.22     |          |
| Share owners' equity at December 31   | 15,071   | 14,935   | 14,498   | 13,875   |          |
| <b>Other</b>  |          |          |          |          |          |
| Purchasing power loss on net monetary items   | 48       | 89       | 232      | 278      | 170      |
| Dividends per share   | 3.35     | 3.34     | 3.46     | 3.65     | 3.70     |
| Market price per share at December 31   | 94       | 59       | 69       | 64       | 67       |
| Average Consumer Price Index (CPI-U; 1967 = 100)  | 289.1    | 272.4    | 246.8    | 217.4    | 195.4    |

(a) At December 31, 1982, in end-of-year dollars, the current cost of inventory was \$5,333 million, and of property, plant and equipment was \$9,901 million. In dollars of average 1982 purchasing power, the increase that might have been expected from general inflation was more than the increase in specific GE current costs by the amount shown. A similar pattern is shown in the other years.

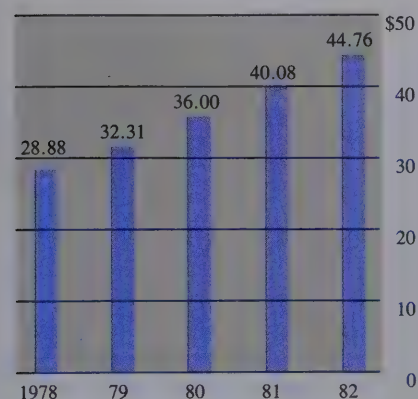
### Market price range of stock (dollars)



### Stock price/earnings ratio range



### Share owners' equity per share — year end (dollars)



## Other data

### Quarterly dividend and stock market information

|                | Dividends declared |      | Common stock market price range |           |
|----------------|--------------------|------|---------------------------------|-----------|
|                | 1982               | 1981 | 1982                            | 1981      |
| First quarter  | 80¢                | 75¢  | \$64-55                         | \$69½-59½ |
| Second quarter | 85                 | 80   | 66⅞-60                          | 69⅞-61⅞   |
| Third quarter  | 85                 | 80   | 79⅞-62⅞                         | 63¾-51⅞   |
| Fourth quarter | 85                 | 80   | 100-74⅞                         | 60⅞-53⅞   |

The New York Stock Exchange is the principal market on which GE common stock is traded. As of December 6, 1982, there were approximately 481,000 share owners of record.

### Operations by quarter

(Dollar amounts in millions; per-share amounts in dollars)

|   | First quarter | Second quarter | Third quarter | Fourth quarter |
|---|---------------|----------------|---------------|----------------|
| <b>1982:</b>                                |               |                |               |                |
| Sales of products and services to customers | \$6,023       | \$6,632        | \$6,385       | \$7,460        |
| Operating margin                            | 486           | 629            | 598           | 692            |
| Net earnings                                | 377           | 465            | 451           | 524            |
| Net earnings per common share               | 1.66          | 2.05           | 1.99          | 2.30           |
| <b>1981:</b>                                |               |                |               |                |
| Sales of products and services to customers | \$6,088       | \$6,955        | \$6,636       | \$7,561        |
| Operating margin                            | 514           | 642            | 595           | 696            |
| Net earnings                                | 359           | 436            | 405           | 452            |
| Net earnings per common share               | 1.57          | 1.92           | 1.78          | 1.99           |

### Domestic employment

General Electric's domestic employment, including consolidated affiliates, averaged 261,000 during 1982, compared with 289,000 in 1981.

Analysis of domestic employment of General Electric for the year ended September 30, 1982, showed that the current recession slowed Company progress in equal employment opportunities for women and minorities. The number of women managers in 1982 was 1,332, compared with 1,298 in 1981; the number of women professionals was 5,904, compared with 5,569. There were 1,246 minority managers in 1982, compared with 1,336 in 1981; and 3,635 minority professionals, compared with 3,676. Overall, women account for 26.4% of GE employment and minorities 11.3%.

Despite recent economic conditions, the Company continues to show long-term progress. Over the last five years, the increase in the number of women managers has averaged 10.9% annually and women professionals 12.5%. For the same period, the increase in minority managers has averaged 5.5% annually and minority professionals 7.6%.



## Board of Directors



**Richard T. Baker**

Consultant to Ernst & Whinney, public accountants, Cleveland, Ohio (1977)



**James G. Boswell II**

Chairman of the Board, Chief Executive Officer and Director, J. G. Boswell Company, farming and related businesses, Los Angeles, Calif. (1971)



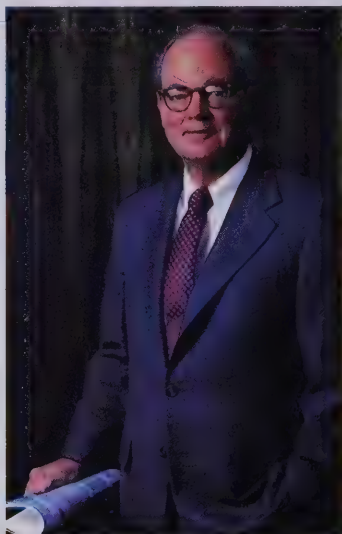
**John F. Burlingame**

Vice Chairman of the Board, Executive Officer and Director, General Electric Company, Fairfield, Conn. (1980)



**Silas S. Cathcart**

Chairman of the Board and Director, Illinois Tool Works Inc., diversified products, Chicago, Ill. (1972)



**Charles D. Dickey, Jr.**

Retired Chairman of the Board and Director, Scott Paper Company, Philadelphia, Pa. (1972)



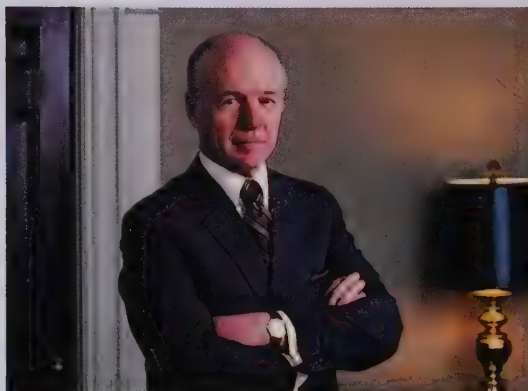
**Lawrence E. Fouraker**

Professor of Business Administration, Harvard University Graduate School of Business Administration, Boston, Mass. (1981)



**Henry H. Henley, Jr.**

Chairman of the Board and Director, Cluett, Peabody & Co., Inc., manufacturing and retailing of apparel, New York, N.Y. (1972)



**Henry L. Hillman**

Chairman of the Board and Director, The Hillman Company, diversified operations and investments, Pittsburgh, Pa. (1972)



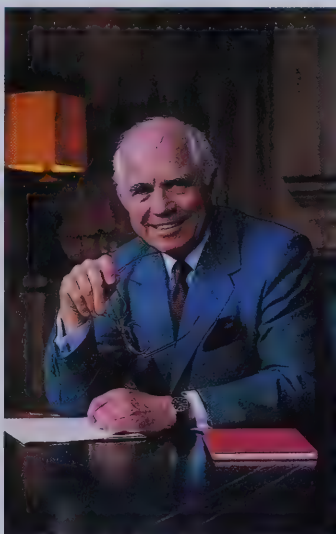
**Edward E. Hood, Jr.**

Vice Chairman of the Board, Executive Officer and Director, General Electric Company, Fairfield, Conn. (1980)





**Ralph Lazarus**  
Chairman of the Executive Committee  
and Director, Federated Department  
Stores, Inc., Cincinnati, Ohio (1962)



**Edmund W. Littlefield**  
Chairman of the Executive Committee  
and Director, Utah International Inc.,  
San Francisco, Calif. (1964)



**George M. Low**  
President, Rensselaer Polytechnic  
Institute, Troy, N.Y. (1977)



**Gertrude G. Michelson**  
Senior Vice President, External Affairs,  
R. H. Macy & Co., Inc., retailers,  
New York, N.Y. (1976)



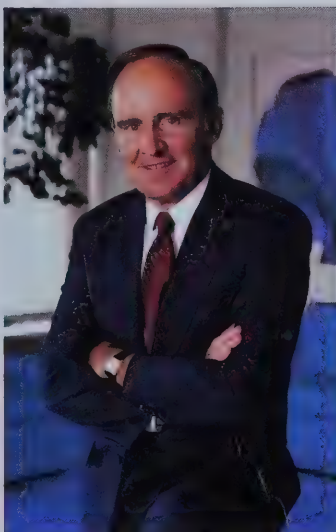
**Barbara Scott Preiskel**  
Attorney, New York, N.Y. (1982)



**Lewis T. Preston**  
Chairman of the Board and Director,  
J. P. Morgan & Co. Incorporated and  
Morgan Guaranty Trust Company,  
New York, N.Y. (1976)



**Gilbert H. Scribner, Jr.**  
Chairman of the Board and Director,  
Scribner & Co., real estate and insurance,  
Chicago, Ill. (1962)



**John F. Welch, Jr.**  
Chairman of the Board, Chief  
Executive Officer and Director,  
General Electric Company,  
Fairfield, Conn. (1980)



**Walter B. Wriston**  
Chairman of the Board and Director,  
Citicorp and Citibank, N.A.,  
New York, N.Y. (1962)



## Board expands to 18 Directors

**G**eneral Electric's Board of Directors, pictured alphabetically on the preceding pages, conducted 11 meetings during 1982.

At the September meeting of the Board, Barbara Scott Preiskel was elected a Director, expanding Board membership to 18. Mrs. Preiskel, an attorney, is a graduate of Wellesley College and Yale Law School. She served as vice president and general counsel of the Motion Picture Association of America from 1977 to February 1983.

The Board increased the quarterly dividend from 80 cents to 85 cents per share at its May meeting.

In addition to regular Board meetings, Directors participated on the seven committees, listed on this page, that aid the Board in its duties:

The *Audit Committee*, which includes only Directors from outside the Company, met four times. Its reviews included those of activities of both the Independent Public Accountants and the Corporate Audit Staff.

The *Finance Committee*, meeting four times, examined the Company's financial position, its foreign investments, and the operations of the General Electric Credit Corporation.

The *Management Development and Compensation Committee* held 10 meetings at which it reviewed and approved changes in GE's management, exempt salary structure and executive compensation programs.

The *Nominating Committee* met three times to review candidates for the Board, the committee structure and committee assignments.

The *Operations Committee* held five meetings, including joint sessions with the Audit, Finance, and Technology and Science Committees. Its sessions included reviews of the Company's services and materials businesses and labor relations environment.

The *Public Responsibilities Committee*, at its two meetings, examined environmental and other key issues affecting the Company. It also reviewed GE contributions to the not-for-profit sector of the economy.

The *Technology and Science Committee* held two meetings, both joint sessions with the Operations Committee. Its sessions included a review of the Company's industrial electronics business.

The Board notes with sadness the recent deaths of three former Directors: Thomas B. McCabe, a GE Director, 1951-1965; Henry S. Morgan, 1935-1941 and 1945-1972; and Robert T. Stevens, 1946-1953 and 1956-1971.

### Committees of the Board

#### **Audit Committee**

Richard T. Baker, Chairman  
Lawrence E. Fouraker  
George M. Low  
Gertrude G. Michelson  
Barbara Scott Preiskel  
Lewis T. Preston

#### **Finance Committee**

Edmund W. Littlefield,  
Chairman  
John F. Welch, Jr.,  
Vice Chairman  
Charles D. Dickey, Jr.  
Henry H. Henley, Jr.  
Gilbert H. Scribner, Jr.  
Walter B. Wriston

#### **Management Development and Compensation Committee**

Ralph Lazarus, Chairman  
Silas S. Cathcart  
Henry H. Henley, Jr.  
Henry L. Hillman  
Walter B. Wriston

#### **Nominating Committee**

Charles D. Dickey, Jr.,  
Chairman  
Henry H. Henley, Jr.  
Ralph Lazarus  
Edmund W. Littlefield  
George M. Low  
Gertrude G. Michelson

#### **Operations Committee**

Henry L. Hillman, Chairman  
John F. Welch, Jr.,  
Vice Chairman  
James G. Boswell II  
Silas S. Cathcart  
Gertrude G. Michelson  
Lewis T. Preston  
Gilbert H. Scribner, Jr.

#### **Public Responsibilities Committee**

Henry H. Henley, Jr., Chairman  
John F. Burlingame,  
Vice Chairman  
Richard T. Baker  
Lawrence E. Fouraker  
Henry L. Hillman  
Ralph Lazarus  
Gertrude G. Michelson  
Barbara Scott Preiskel

#### **Technology and Science Committee**

George M. Low, Chairman  
Edward E. Hood, Jr.,  
Vice Chairman  
James G. Boswell II  
Charles D. Dickey, Jr.  
Henry L. Hillman  
Edmund W. Littlefield

# Management

(As of March 1, 1983)

## Corporate Executive Officers

**John F. Welch, Jr.**  
Chairman of the Board and  
Chief Executive Officer

**John F. Burlingame**  
Vice Chairman of the Board and  
Executive Officer

**Edward E. Hood, Jr.**  
Vice Chairman of the Board and  
Executive Officer

**Standley H. Hoch**  
Corporate Executive Office  
Vice President

**Jack O. Peiffer**  
Corporate Executive Office  
Vice President

## Senior Corporate Officers



**Frank P. Doyle**  
Senior Vice President  
Corporate Relations



**Theodore P. LeVino**  
Senior Vice President  
Executive Management Staff



**Leonard C. Maier, Jr.**  
Senior Vice President



**Walter A. Schlotterbeck**  
Senior Vice President  
General Counsel and Secretary



**Roland W. Schmitt**  
Senior Vice President  
Corporate Research and  
Development



**Thomas O. Thorsen**  
Senior Vice President  
Finance

## Corporate Staff Officers

**Michael A. Carpenter**  
VP – Corporate Business  
Development and Planning

**Thomas R. Casey, M.D.**  
VP & Company Medical Director

**James J. Costello**  
VP & Comptroller

**James R. Donnalley, Jr.**  
VP – Corporate Environmental  
Programs

**Dale F. Frey**  
VP & Treasurer

**Fred W. Garry**  
VP – Corporate Engineering  
and Manufacturing

**Joyce Hergenhan**  
VP – Corporate Public Relations

**Edward H. Malone**  
VP – Trust Investments

**Daniel W. McGlaughlin**  
VP – Corporate Information Systems

**Phillips S. Peter**  
VP – Corporate Government Relations

**Arthur V. Puccini**  
VP – Corporate Employee Relations

**Bruce O. Roberts**  
VP – Corporate Services

**Leonard Vickers**  
VP – Corporate Marketing

**R. Howard Annin, Jr.**  
VP – Northeastern Regional Relations

**Kristian H. Christiansen**  
VP – Southeastern Regional Relations

**Mark J. D'Arcangelo**  
VP – Regional Relations

**Harry M. Lawson**  
VP – Western Regional Relations

**William C. Lester**  
VP – East Central Regional Relations

**Iver J. Petersen**  
VP – Central Regional Relations

**Cecil S. Semple**  
VP – Corporate Customer Relations



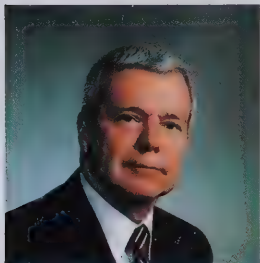
# Operating Management

(As of March 1, 1983)

## Technical Systems

### James A. Baker

Executive Vice President and  
Sector Executive  
Technical Systems Sector



### George B. Farnsworth

Senior VP & Group Executive  
Aerospace Group

### William A. Anders

VP & General Manager  
Aircraft Equipment Division

### Thomas I. Paganelli

VP & General Manager  
Electronic Systems Division

### Allan J. Rosenberg

VP & General Manager  
Space Systems Division



### Donald K. Grierson

Senior VP & Group Executive  
Industrial Electronics Group

### Erwin M. Koeritz

VP & General Manager  
Factory Automation Products  
Division

### Robert Benders

President  
Calma Company



### Van W. Williams

Senior VP & Group Executive  
Component Products Group

### William R. Fenoglio

VP & General Manager  
Component Motor Division

### David O. Gifford

VP & General Manager  
Electronic Components Division

### Walter L. Robb

VP & General Manager  
Medical Systems Operations

### Francis J. Schilling

VP & General Manager  
Medical Systems Product  
Management Division

### Robert L. Stocking

VP & General Manager  
Medical Systems Sales and  
Service Division

### James E. Dykes

VP & General Manager  
Semiconductor Division

### Henry J. Singer

VP & General Manager  
Industrial Sales Division

### Walter E. Weyler

VP & General Manager  
Mobile Communications Division

## Services and Materials

### Lawrence A. Bossidy

Executive Vice President and  
Sector Executive  
Services and Materials Sector



### James P. Curley

Senior Vice President



### Charles R. Carson

Senior VP & Group Executive  
Engineered Materials Group

### Thomas H. Fitzgerald

VP & General Manager  
Silicone Products Division

### Glen H. Hiner

VP & General Manager  
Plastics Operations

### D. Rex Blanchard

VP & General Manager  
Lexan Products Division

### Paul L. Dawson

Chairman of the Board &  
Chief Executive Officer  
General Electric Plastics B. V.

### Philip M. Gross

VP & General Manager  
Noryl Products Division

### John D. Opie

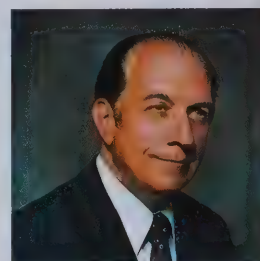
VP & General Manager  
Specialty Plastics Division

### William Longstreet

VP & General Manager  
Contractor Equipment  
Operations

### James M. McDonald

VP & General Manager  
Apparatus Distribution Sales  
Division



### John W. Stanger

President & Chief Executive Officer  
General Electric Credit Corporation  
(GECC)

### Norman P. Blake

Executive VP  
GECC Financing Operations

### Dennis D. Dammerman

VP & General Manager  
GECC Real Estate  
Financial Services  
Operations

### Bernard P. Long

VP & General Manager  
GECC Distribution Sales  
Financing Division

### Gary C. Wendt

VP & General Manager  
GECC Commercial and  
Industrial Financing Division

### David M. Engelman

VP & General Manager  
General Electric Supply Company  
Division

### Gregory J. Liemandt

VP & General Manager  
Information Services  
Division/GEISCO

### Terence E. McClary

Vice President  
Venture Investments

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## Power Systems

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### Louis V. Tomasetti

Executive Vice President and  
Sector Executive  
Power Systems Sector



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### James R. Birle

Senior VP & Group Executive  
Construction and Engineering  
Services Group

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### Robert T. Bruce

VP & General Manager  
Domestic Apparatus and  
Engineering Services  
Operations

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### Vittorio Orsi

Managing Director  
SADE/SADEMI Construction  
Operations

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### Warren H. Bruggeman

VP & General Manager  
Nuclear Energy Operations

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### A. Philip Bray

VP & General Manager  
Nuclear Power Systems Division

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### Henry E. Stone

VP & General Manager  
Nuclear Engineering Division

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### Bertram Wolfe

VP & General Manager  
Nuclear Fuel and Special Projects  
Division



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### George B. Cox

Senior VP & Group Executive  
Turbine Group

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### Richard W. Kinnard

VP & General Manager  
Large Steam Turbine-Generator  
Division

---

### George W. Sarney

VP & General Manager  
Gas Turbine Division

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### George H. Schofield

VP & General Manager  
Industrial and Marine Steam Turbine  
Division

---

### Carl J. Schlemmer

VP & General Manager  
Transportation Systems  
Operations

---

### John C. Dwyer

VP & General Manager  
Locomotive Marketing Division

---

### Marion S. Richardson

VP & General Manager  
Locomotive Products Division

---

### Nicholas Boraski

VP & General Manager  
Large Transformer Division

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### Eugene J. Kovarik

VP & General Manager  
Power Delivery Division

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### Edward W. Springer

VP & General Manager  
Electric Utility Sales Division

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## Consumer Products

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### Paul W. Van Orden

Executive Vice President and  
Sector Executive  
Consumer Products Sector



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### Ralph D. Ketchum

Senior VP & Group Executive  
Lighting Group

---

### Eugene F. Apple

VP & General Manager  
Lamp Components Division

---

### Gary L. Rogers

VP & General Manager  
Lamp Products Division

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### Thomas L. Williams

VP & General Manager  
Lighting Systems Products Division



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### Roger W. Schipke

Senior VP & Group Executive  
Major Appliance Group

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### Richard L. Burke

VP & General Manager  
Major Appliance Production  
Division

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### Theodore J. Cutler

VP & General Manager  
Major Appliance Product  
Management and Marketing  
Division

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### Philip J. Drieci

VP & General Manager  
Major Appliance Sales and  
Service Division

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### John C. Truscott

VP & General Manager  
Major Appliance Technology  
Division

---

### James F. West

VP - Major Appliance Strategic  
Planning and Development  
Operation

---

### Jacques A. Robinson

VP & General Manager  
Video Products Division

---

### Walter W. Williams

VP & General Manager  
Housewares and Audio Division



## Utah International

---

**Alexander M. Wilson**

Chairman of the Board &  
Chief Executive Officer  
Utah International Inc.

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**Ralph J. Long**

Senior VP & Manager  
Eastern Hemisphere Mining Group

---

**James T. Curry**

President & Managing Director  
Utah Development Company

---

**Charles K. McArthur**

Senior VP & Manager  
Western Hemisphere Mining Group

---

**Keith G. Wallace**

Senior VP & Manager  
Corporate Components

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**Timothy R. Winterer**

Senior VP & Manager  
Corporate Services

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**John H. Moore**

President - Ladd Petroleum  
Corporation (a subsidiary of Utah)

## International

---

**John A. Urquhart**

Executive Vice President and  
Sector Executive  
International Sector

---

**George J. Stathakis**

VP & General Manager  
International Trading Operations

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**Paolo Fresco**

VP & General Manager  
Europe and Africa Operations

---

**Edward C. Bavaria**

VP & General Manager  
Middle East/Africa  
Business Development Division

---

**Rodger E. Farrell**

VP & General Manager  
Andean Countries Division

---

**Frank D. Kittredge**

VP & General Manager  
Far East Area Division

---

**Alton S. Cartwright**

Chairman of the Board &  
Chief Executive Officer  
Canadian General Electric  
Company Limited (CGE)

---

**William R. C. Blundell**

President & Chief Executive Officer  
Camco Inc  
(a CGE affiliate)

---

**Robert T. E. Gillespie**

Vice President  
Consumer and Construction  
Products Division, CGE

---

**D. Forrest Rankine**

Vice President  
Apparatus and Heavy Machinery  
Division, CGE

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**J. Richard Stonesifer**

Chairman of the Board &  
Chief Executive Officer  
General Electric do Brasil S.A.

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**Paul H. Way**

Chairman of the Board &  
Chief Executive Officer  
General Electric de Mexico S.A.

## Aircraft Engine



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**Brian H. Rowe**

Senior VP & Group Executive  
Aircraft Engine Group

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**James N. Krebs**

VP & General Manager  
Military and Small Commercial  
Engine Operations

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**William J. Crawford III**

VP & General Manager  
Military and Small Commercial  
Engine Projects Division

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**Frank E. Pickering**

VP & General Manager  
Lynn Production Division

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**Harry C. Stonecipher**

VP & General Manager  
Commercial and Military Transport  
Engine Operations

---

**Orville R. Bonner**

VP & General Manager  
Marine and Industrial Engine  
and Service Division

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**W. George Krall**

VP & General Manager  
Evendale Production Division

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**Robert J. Smuland**

VP & General Manager  
Commercial and Military  
Transport Engine Projects  
Division

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**Neil Burgess**

Vice President  
Aircraft Engine Customer  
Relations

## Share owner information

### Dividend Reinvestment Plan

GE share owners whose Company stock is registered in their own names and whose addresses of record are in the United States or its territories or possessions are eligible to participate in the GE Dividend Reinvestment Plan. For information on the plan, write to: Securities Ownership Records, General Electric Company, P.O. Box 206, Schenectady, N.Y. 12301.

### Form 10-K and other supplemental information

The financial information in this Report, in the opinion of management, substantially conforms with or exceeds the information required in the "10-K Report" submitted to the Securities and Exchange Commission at the end of March. Certain supplemental information, considered non-substantive, is included in that report, however, and copies without exhibits will be available, without charge, on or about April 15, from: *Investor Relations, General Electric Company, Fairfield, Connecticut 06431.*

Copies of the General Electric Pension Plan, the Summary Annual Report for GE employee benefit plans subject to the Employee Retirement Income Security Act of 1974, and other GE employee benefit plan documents and information are available by writing to Investor Relations and specifying the information desired.

The Annual Report of the General Electric Foundation also is available on request.

### Transfer Agents



|                                   |                               |
|-----------------------------------|-------------------------------|
| The First National Bank of Boston | General Electric Company      |
| Shareholder Services Division     | Securities Transfer Operation |
| P.O. Box 644                      | 570 Lexington Avenue          |
| Boston, Massachusetts 02102       | New York, New York 10022      |

### Annual Meeting

The 1983 Annual Meeting of General Electric Company will be held on Wednesday, April 27, at the Fawcett Center for Tomorrow, The Ohio State University, Columbus, Ohio.

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**Note:** Unless otherwise indicated by the context, the terms "GE," "General Electric" and "Company" are used on the basis of consolidation described on page 36. Unless otherwise indicated by the context, the terms "Utah" and "Utah International" mean Utah International Inc., as well as all of its "affiliates" and "associated companies" as those terms are used on page 36.

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**GENERAL  ELECTRIC**  
**1982 Annual Report**

**General Electric Company**  
**Fairfield, Connecticut 06431**

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**General Electric Company**

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**“We want GE to be perceived  
as a contemporary company,  
defined by its world-class  
competitiveness.”**

**Chairman John F. Welch, Jr.**

# Moving boldly in uncertain times



## **Maintaining the momentum**

Page 2: In a candid interview for the Investor, General Electric Chairman John F. Welch, Jr., discusses the Company's progress in maintaining fast growth in a slow-growth economy.



## **Creating the competitive factory**

Page 6: GE has put the elements in place to help modernize the U.S. industrial base, a market which experts estimate will reach \$30 billion by the 1990s.



## **Winning in world markets**

Page 14: The formation of the new General Electric Trading Company sets the course for higher exports for GE and other U.S. companies as well.



## **Innovation: source of success**

Page 18: Marrying technology with market needs is making GE an innovative leader in such high-growth areas as medical diagnostics, materials and factory automation.



## **Annual Meeting report**

Page 22: Ten share owner proposals were presented at the Company's Annual Meeting, which was held in Richmond, Va.



## **Investors are asking**

Page 26: The Company responds to questions about closing facilities, the sale of nuclear reactors and fuel overseas, and other share owner concerns.



# Maintaining the momentum



John F. Welch, Jr., Chairman of the Board and Chief Executive Officer

***How's business? As General Electric faces into the closing months of 1982, the Investor asks Board Chairman Jack Welch for his appraisal of the Company's businesses and the outlook for the future. Here's a summary of the interview:***

***Investor: A year or so ago, in an interview for the GE Monogram magazine, you described some of the challenges and opportunities you saw for the Corporate Executive Office (you, John Burlingame and Ed Hood) as General Electric entered the last decades of the 20th Century.***

***You didn't say it would be easy. In the months since that interview, foreign competition has stiffened, unemployment has worsened, the recession has deepened, interest rates remain high, the bankruptcy rate is up, corporate profits are down, Wall Street is shaky. Against this background, how is General Electric doing? How is the Company measuring up to your expectations?***

**JFW:** Measured against much of corporate America, I think we're faring quite well. Our diversity is serving us well. We have strength in our aerospace activities, strength in our high-technology medical systems and information services businesses. We have tremendous strength in our credit corporation, which is more than offsetting weakness in consumer durables and, more recently, in the industrial segments of the Company.

Our differentiated approach to our various businesses is also serving us well as we add resources in these tough times to many of our high-growth, high-tech businesses: acquisitions in information services; the new plastics technical center in Pittsfield; completions of technical expansions in micro-electronics; increased resources in factory automation despite the weak capital goods market. And yet, at the same time, there are retrenchments in some of our core businesses as their markets have remained weak — for months in the case of industrial, and now going on three years in the case of consumer durables. People in these businesses and in these industries are unfortunately feeling the effect of very weak demand. I'm very proud of the way our people have responded to these difficult times. It's only through their efforts that we've got the type of numbers that we've been able to report in the first half of this year in the face of the difficult environment that you've described.

So a year later, I feel even more strongly that we're on the right course. It's been a tougher course than any of us anticipated. The pain has been more severe in some areas. The fruits of our investment are further out than we might have anticipated, but we're still committed to making those investments for our future. All in all, we're pleased with the overall results.

***Investor: That leads to a basic question: How is supply-side economics working? A year ago, you said it was probably the right approach, but you were afraid that the public would become impatient with it.***

**JFW:** Well, let's drop the oversimplified term "supply-side economics." I think we're all in favor of reduced government spending. I think we're all in favor of turning more of the economy back to private initiative. I think we're all in favor of getting inflation out of the economy. Inflation strikes hardest at those who are least able to handle it. But the persistent high interest rates resulting from investor perceptions of prolonged inflation, increasing federal deficits and monetary policy have created a longer and deeper

economic downturn than we or any other forecasters anticipated a year ago. So while we believe we have bottomed, it's difficult to predict the timing of any robust recovery.

**Investor:** *In the past, you have identified three key strengths a company must have in order to make a significant contribution to a quality economy: being competitive in today's one-world economy, being a low-cost producer or offering a higher value-added technology or service, and balancing social responsibilities with economic realities. You have also said that a basic linkage between a quality economy and the quality of life is improved productivity. Why isn't it happening?*

**JFW:** It's very difficult to get significant productivity gain in the economic environment we're in. Most U.S. industry is facing a severe demand short-fall, is retrenching, does not yet see its way clear to making significant investments. Major productivity gains will come from a rebounding economy; higher business confidence will lead to greater investment. It's difficult for many businesses to make the necessary investments in highly productive capacity when all they see are declining order rates.

**Investor:** *In light of this, what about the major thrusts General Electric is making into the factory automation market? Does this mean we're going to have a long stretch-out?*

**JFW:** One could argue that with the current order rates GE's investments are ill-timed. We don't feel that way. We're convinced that this economy will rebound, that America will reinvest in productive capacity, and that our investments in leading-edge technology to serve this industrial renaissance will be well-placed. Whether or not some of these projects will come to fruition in the exact time frame that we predicated our investments on is yet to be proven. We're confident that time will prove us right.

**Investor:** *Are you implying that GE is too dependent upon the state of the economy — that it's a GNP company? The relatively low price of GE stock — in spite of the Company's excellent performance — might seem to corroborate that view. So what's the problem?*

**JFW:** That's really two questions. Is GE dependent on the state of the economy? We certainly are, and who isn't. But to the second question — is GE a GNP company? — the answer is, clearly, no. We have consistently outperformed the economy over the last 12 months. While we'd all like to see our stock price higher, our performance since the beginning of the year has been quite good. General Electric stock is up. Our earnings have increased despite the weak economy. Our diversity has proven that we can, in fact, increase earnings, not just roll with the GNP.

So, while we are looking to reward our investors with an even higher stock price, we have been able to increase our dividend consistently. We feel there's increased investor recognition of the inherent value of GE, and that the perception of ourselves as a GNP company is vanishing. Our aim, of course, is to accelerate that process.

**"We are on the right course. It has been a tougher course than any of us anticipated. We're pleased with the overall results."**





John F. Burlingame, Vice Chairman of the Board and Executive Officer

**“These are tough times which have necessitated our taking strong actions — all aimed at making GE a more competitive enterprise, providing better jobs and more job security over the long haul.”**

**Investor:** *On the people front, GE employment levels are down in most businesses. There are indications of widespread worry about job security across the Company. How do you respond to these concerns? What is the outlook? What about staff reductions?*

**JFW:** Overall employment is down as a result of softness in many of our consumer durables and industrial businesses, where much of our employment is concentrated. GE, unlike many other companies in American industry, has had no broad-brush cutbacks. We've had no corporate edicts, such as legislated employment reductions or salary cuts. What we have done is to take differentiated approaches to this most difficult problem in ways that reflect the realities and needs of each business.

Each Sector Executive is dealing with the employment issue as appropriate to his businesses, balancing the need for long-term growth with the short-term environment. None of them has been given any specific edicts about salaried-employee levels or compensation. As far as corporate staff is concerned, there have been reductions in overhead aimed at producing a leaner, stronger long-term company. It's important to note that across the Company we have tried to deal with these reductions in as sensitive and fair a way as we know how. These are tough times which have necessitated our taking strong actions — all aimed at making GE a more competitive enterprise, providing better jobs and more job security over the long haul.

**Investor:** *To what extent have consolidations, elimination of duplications and attrition been factors in these reductions?*

**JFW:** Where possible, those have been preferred alternatives. Obviously, the magnitude of the job at hand didn't permit what I would call the easy way to be the only way. We had to — no one likes to — make personnel reductions. It's probably the toughest job a manager faces. And yet, in order for General Electric to be the winning competitive enterprise we want it to be, providing the best for the most over the long haul, we had to take some of these difficult actions.

**Investor:** *GE recently concluded union agreements which the press characterized as responsible responses to the question of job security in the face of plant closings and automation; that the unions described as historic and the best ever; and that a Wall Street observer described as “consistent with Mr. Welch's efforts to pull together GE management and labor in his quest to make General Electric among the most competitive enterprises in the world.” How would you characterize the agreements?*

**JFW:** In general, the characterizations of the settlement were accurate. GE and the unions over the last decade have had a healthy respect for one another's position. This was a time, perhaps as some have argued, when we could have taken a stronger stance. Yet as the press has reported, we felt that it was fundamental to treat our employees equitably. Over the long haul labor and management cooperating, working together, will make us the successful enterprise we want to be.

**"There is no single pat solution to the Number One or Number Two issue. It's not get out or stay in. It's find a way to become world-competitive. The important thing is dealing with it realistically, with all of us working together to find a solution."**



Edward E. Hood, Jr., Vice Chairman of the Board and Executive Officer

**Investor: What is the toughest strategic problem you now face?**

**JFW:** I think it's the issue of being Number One or Number Two. Obviously, we're not Number One or Number Two in every business. And, obviously, we haven't figured out the solution to each one of these situations. We've still got many tough problems in a number of businesses that still have to be dealt with. I am pleased, however, that we have an understanding of this Number One or Number Two issue. We're confident that we'll continue to show great progress in making General Electric the most competitive enterprise in the world — in all the businesses that we're in. It won't happen overnight. It won't happen in the next year. But it will happen.

**Investor: You have implied that those businesses that can't be Number One or Number Two may have to be divested in order to preserve the overall health of the Company. Are we going to see a lot of divestitures?**

**JFW:** We'll see a mix. We'll see some clear-cut business fixes where the great resources of our laboratory, coupled with the businesses, will develop a solution to making us Number One or Number Two where we're not today. Some will be divested. Some might be merged with other businesses. There is no single pat solution. It's not get out or stay in. It's find a way to become world-competitive. The important thing is dealing with it realistically, with all of us working together to find a solution.

**Investor: In the past, you have emphasized the coupling of technology and marketing as one important solution. Is it working?**

**JFW:** Believe me, it's happening. All of our general managers all over this Company are more aware of the enormous leverage we have in our 2,000-person, Schenectady-based research laboratory which sets us apart from many of our competitors. Ed Hood has spent considerable time this year in making the marriage of his high-technology businesses with the laboratory, which is under his responsibility. Most department managers, and all of our new ones, have spent two and three days there, getting familiar with the unique technological talent available to them.

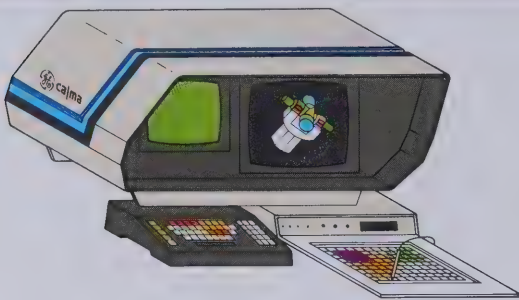
**Investor: Briefly, what's the outlook for General Electric?**

**JFW:** We're not anticipating any great rebound in the economy. Our economists are forecasting moderate pick-ups over the next six quarters, but nothing like the recoveries that followed the last two recessions. Our plans are to continue to invest in our long-term objectives while managing our way through this slow-growth, short-term environment.

John Burlingame, Ed Hood and I are encouraged by the excellent performance of GE people during the past year. GE is leaner, more competitive, and better-positioned to meet the realities of the world marketplace. We have the needed resources: the right people, a strong financial structure, a superior technological base, and the entrepreneurial drive. The challenge facing all of us is to leverage this unique combination of assets. I am confident we will do it. □



# Creating the competitive factory



General Electric's Calma systems can help eliminate most of the paperwork from the factory floor.

*So many of the problems that perplex people today seem intractable because they are undefinable. However, one of the key concerns of people — economic security — is directly related to the productivity of a nation.*

Why are a few points of productivity improvement so important?

According to General Electric economists, if American productivity had risen over the last dozen years at its earlier rate of 3 percent instead of 1 percent, real spendable income per worker would be 25 percent higher; inflation would be cut in half; and the federal budget would easily be balanced.

Making the nation's factories more competitive is a problem that GE people are ready to help solve.

In previous reports, we've told you about the acquisitions and investments made to become a full-service supplier in industrial electronics and factory automation — Calma, Intersil, GE CAE International, the new electronics facility at the Schenectady R&D Center, the Industrial Electronics Laboratory and manufacturing facility in Charlottesville, Va., and the Microelectronics Center in Research Triangle Park, N.C.

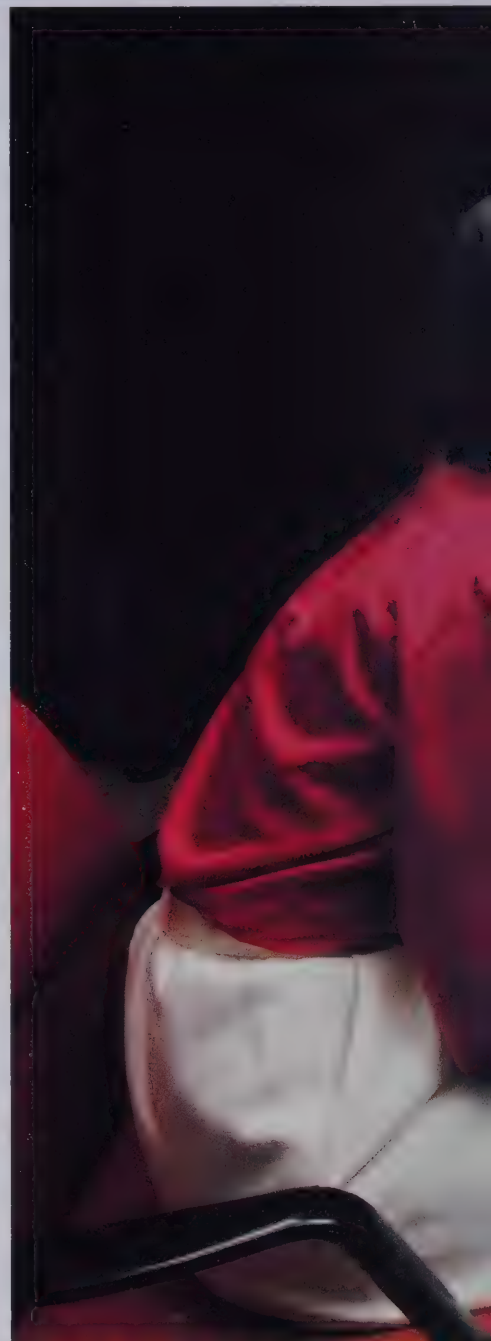
Now, GE has practically all the factory automation elements in place and is offering them to customers.

## **What are we offering to enhance productivity?**

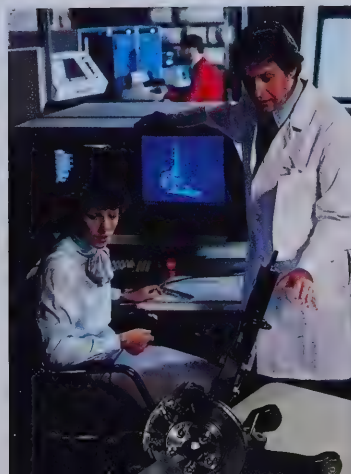
Everything from a single robot to flexible design and manufacturing systems.

The up-front part of any manufacturing system is the operations management system, which includes computerized order entry, purchasing, cost accounting, production planning and control, and shop floor control. A factory automation system is built on sand if this part of the factory is neglected.

The General Electric Information Services Company provides com-



Paper is the culprit  
behind many factory problems

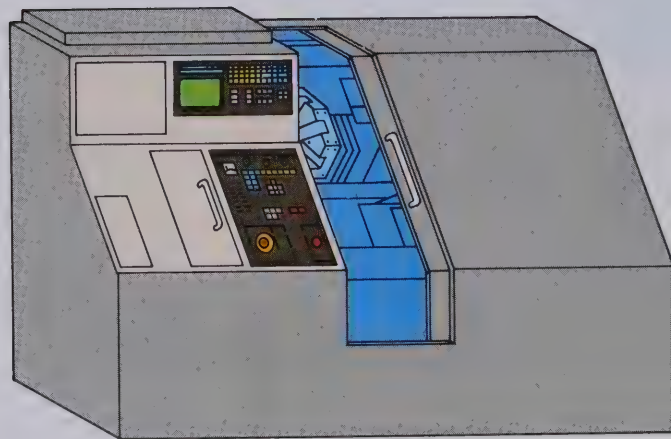
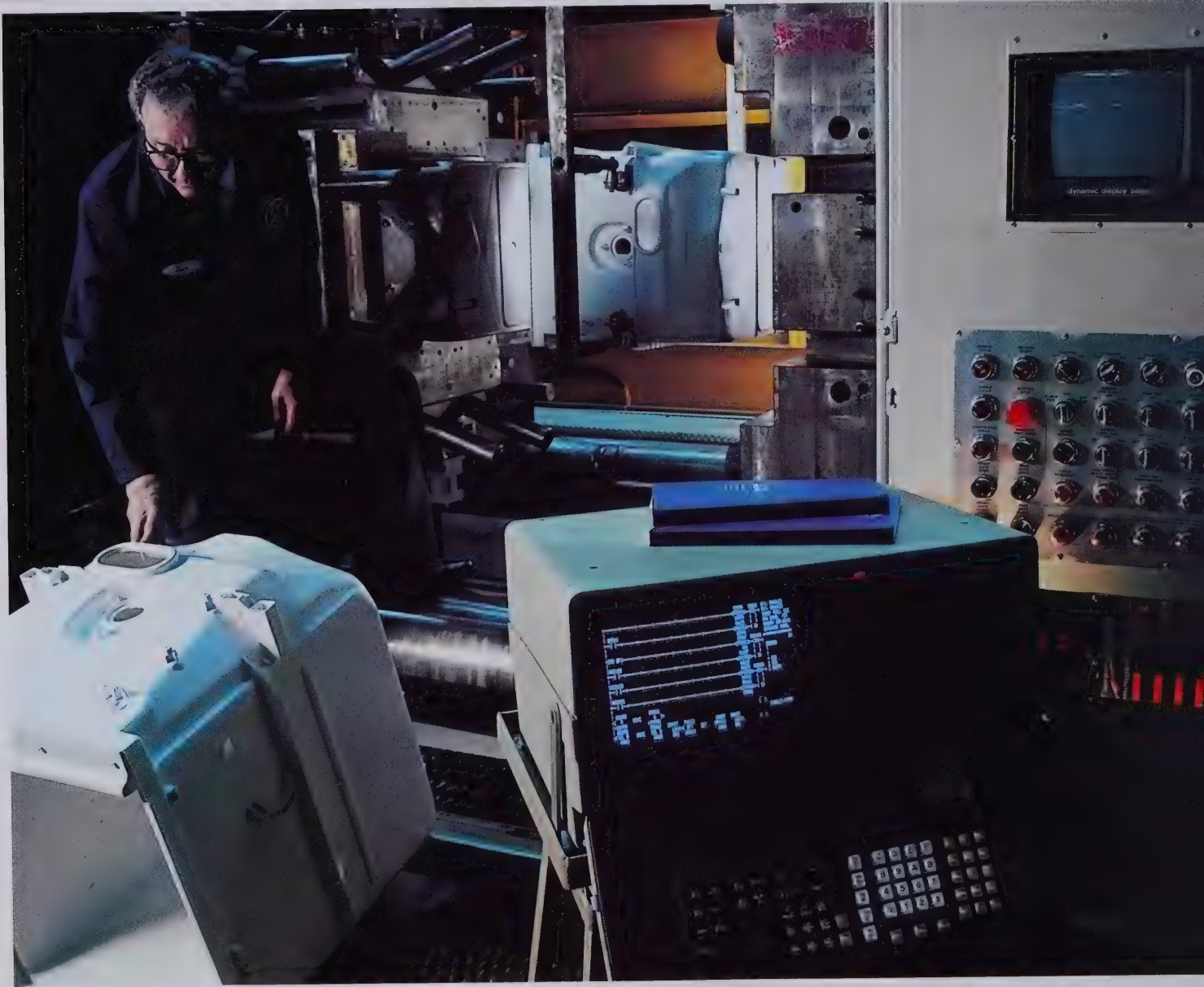


Above: Elaborate solid modeling techniques now in use by the Company's Calma subsidiary and other components can make designers more productive.

Left: Computer-aided engineering lets engineers simulate product performance before prototypes are built.



# Creating the competitive factory





Left: Just push a button, and the programmable controllers at GE's Appliance Park in Louisville select preprogrammed electronic instructions for manufacturing appliance parts.

Above: At a quality-control station in the Company's Columbia, Md., appliance plant, the voice-data-entry system allows workers to talk directly to a computer while monitoring parts.

Right: The new Mark Century® 2000 numerical control utilizes advanced microelectronics and software techniques to direct machine tools, such as the lathe illustrated below left.

puter services and software for these and other functions.

In the last few years, GE experts have used the Company's factories as laboratories to refine knowledge of this part of the factory. They have visited 200 GE and competitor locations worldwide, unblushingly learning from the world's best practices — like Toyota's "Just in Time" system that almost eliminates inventory.

### **Computer-aided design**

Paper — blueprints, drawings, paper tapes — is the culprit behind many of the inefficiencies and quality problems of a factory. Computer-aided design and analysis of a product eliminates most of the paper and helps get the product to market quicker.

Instead of following the old "cut-and-try" process where a product design ricochets between the drawing board and model shop, engineers can create a three-dimensional model and test various product concepts in a computer.

Programs for numerically controlled machine tools are byproducts of this design process. So are the dies, tools, specifications and molds used in manufacturing parts.

### **Computer-aided manufacturing**

Improved speed and cost reduction are the familiar and historical objectives of manufacturing automation. Modern times demand two vital, additional objectives: improved product quality and flexibility of equipment to accept new designs and new manufacturing processes.

Today's manufacturers are gunshy about any automation system that is not flexible — that cannot adapt to changing customer tastes, the ups and downs of economic cycles and fast-moving technology.

This requirement for flexibility is driving manufacturers to computer-

aided technology for their factory floors. GE's strength is this: There are virtually no computer-directed operations that we have not encountered and solved in our own plants.

### **Flexible robots**

Robots are one of the main classes of equipment leading to flexible automation.

General Electric has 400 robots working in its own operations, and is now marketing 11 different robots for applications such as welding, paint spraying, material handling, deburring and assembly.

### **How to bake a cake**

Programmable controllers can orchestrate the processes to do just that. Or they can brew beer, starting with the barley malt and ending with the warehousing.

Wherever customers have an intricate series of on-off and sequential operations, programmable controllers are proving their worth.

Unlike the relays they replace, which require rewiring for any process change, a simple push of the buttons will select the preprogrammed electronic instructions for manufacturing equipment, lighting systems, furnaces — whatever.





# Creating the competitive factory



A GE robot sprays a precisely controlled pattern of mold-release agent inside a refrigerator case at the Company's major appliance factory in Louisville.

## The payoff from quality

Quality decreases scrap, rework and warranty costs, three big enemies of productivity. But the biggest payoff is that improved quality, when perceived by the consumer, will earn more business.

Automatic test and inspection systems exist now in virtually all our plants, and we can design them into customers' systems. Microprocessors test our washing machines in Louisville, and complex test cells use batteries of computers on our aircraft engines in Evendale, Ohio.

Until recently, a big drawback to assembly and inspection was the inability of equipment to "see" and "feel" product components. This barrier is falling fast through the use of special TV cameras, other sensors, and computers that can interpret what the sensors see.

## The intelligent warehouse

Most people on plant tours don't pay much attention to the warehouse.

But the average plant uses 50 percent of its floor space for storage and handling — floor space that costs \$40 to \$60 a square foot in new construction. Worse, the cubic space above those square feet is largely unused.

There's also a lot of cash locked up in in-process inventory. With poorly managed scheduling and feedback systems, the put-downs, pick-ups, transfers and waits can cause a batch-process part to be worked on only five percent of the time it's in the factory.

Instead of using inventory as a buffer against defects, shortages and lack of information from the factory floor, a manufacturer can use a computerized system to reduce inventory by one-fifth to one-half.

In an "intelligent warehouse," incoming parts and materials are automatically inspected; computer-controlled storage systems deliver the right parts, at the right time, to

the next operation; and high-rise automated storage uses factory space with money-saving efficiency.

## Closing the automation loop

An industrial "Tower of Babel" would develop if intelligent devices in a factory didn't have interpreters enabling them to talk to each other.

In March, General Electric introduced that type of interpreter — a local area communications network, or "data highway," which eventually will link all intelligent machines in a factory so they can communicate with each other despite their different "protocols," or languages.

The system is called GENet®, and will be made and marketed by the wholly owned Intersil Systems subsidiary in Sunnyvale, Calif.

## Comprehensive automation capability

GE is probably one of the few companies in the world that might be able to automate a customer's plant from scratch. But that would be prohibitively expensive for most companies today.

So we're also offering a service — Factory Automation Planning — that will help automate customers' plants, not as much as they *could* be, but as much as they *should* be.

## Paying for revitalization

Modernizing America's factories will cost trillions of dollars.

Where is the money coming from? Particularly for major industries, General Electric Credit Corporation can help with innovative financing and leasing techniques for everything from machine tools to complete new facilities.

As industry modernizes its plant, experts estimate the automation market served by GE will grow to \$30 billion by the 1990s. This is the market GE is getting ready for now. □



The automation market will grow to \$30 billion by the 1990s

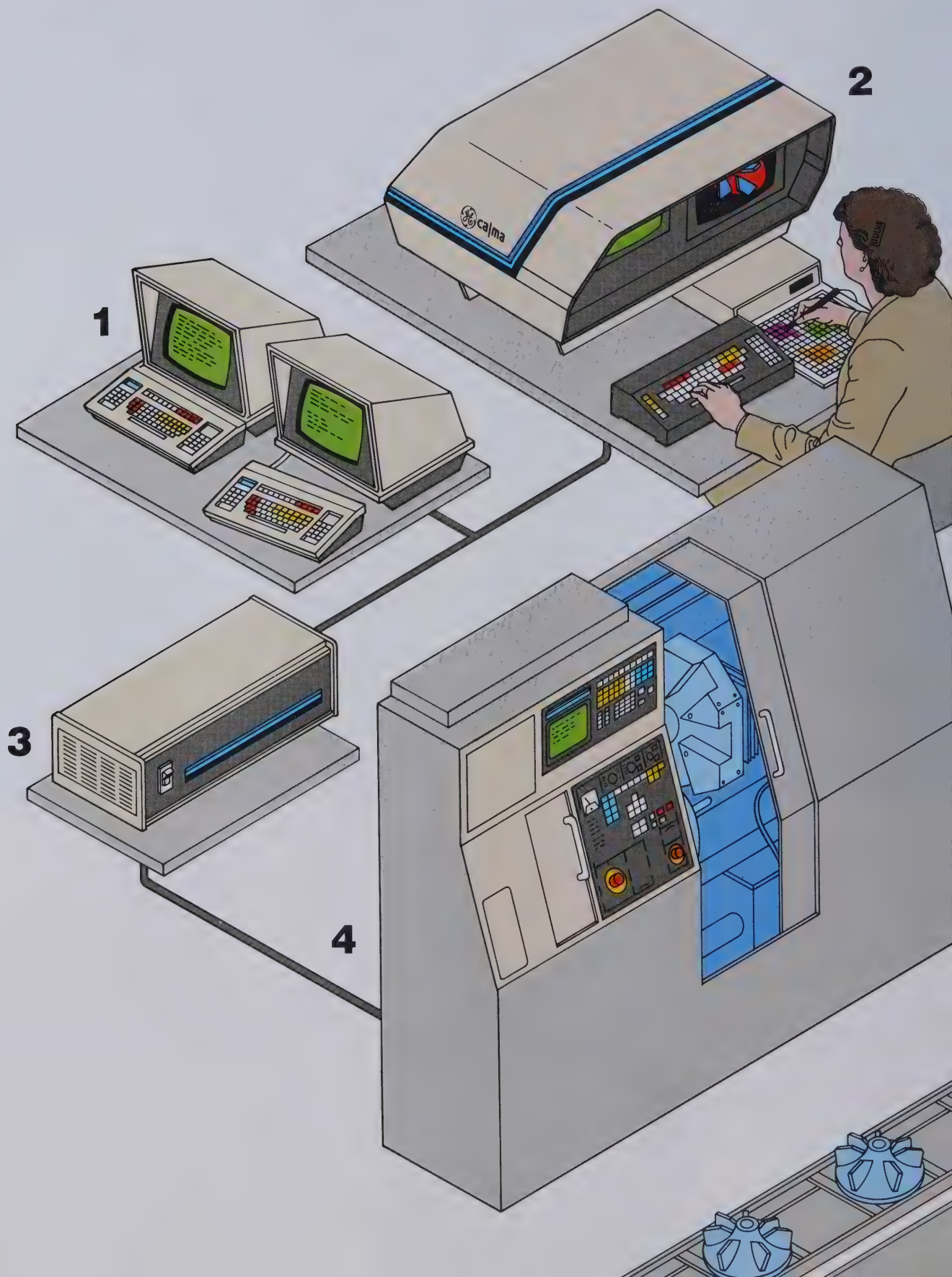


GE Optomation® II solid-state camera and computer-based decision processors are being used to develop automatic alignment equipment for television sets at the Company's TV manufacturing facility in Portsmouth, Va.

Left: General Electric Credit Corporation helped finance this highly automated Reynolds Metals Company aluminum can facility in Kansas City, Mo.



# Creating the competitive factory



1  
Software programs  
from GE are tailor-  
made to monitor and  
control plant  
operations.

2  
GE's Calma systems  
increase an engineer's  
productivity and  
shorten the design  
cycle.

3  
The GEnet® system  
enables a factory's in-  
telligent machines to  
communicate with  
each other.

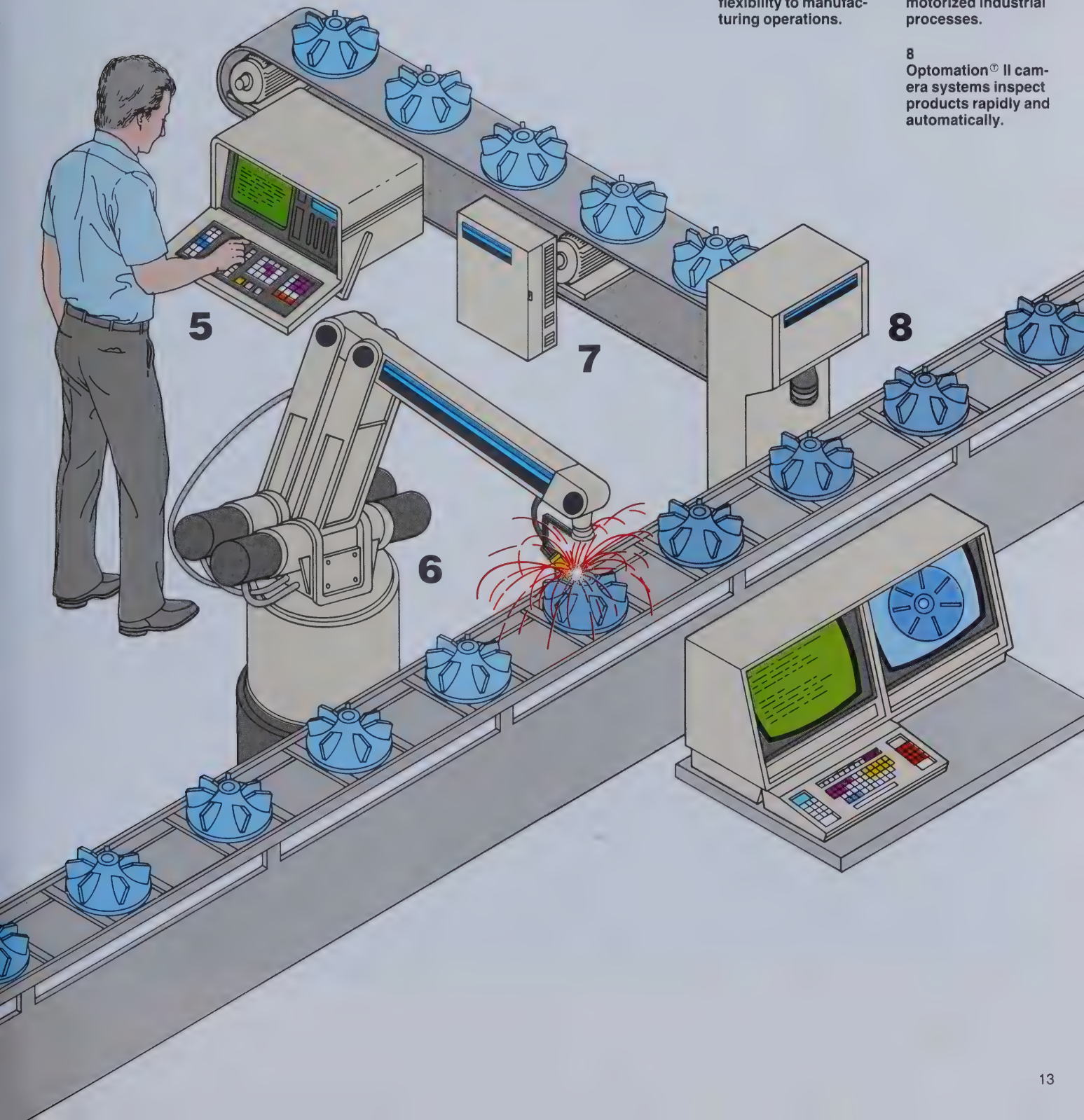
4  
The Mark Century®  
2000 numerical con-  
trol operates machine  
tools precisely.

6  
A GE process robot  
cuts production time  
in arc welding and  
other chores.

5  
Series Six program-  
mable controllers give  
flexibility to manufac-  
turing operations.

7  
Adjustable speed  
drives save energy on  
motorized industrial  
processes.

8  
Optomation® II cam-  
era systems inspect  
products rapidly and  
automatically.









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## General Electric launches new trading company

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# Winning in world markets

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*This is a story about General Electric's bold new move in a market growing 50 percent faster than the U.S. economy — faster than word processors, faster than broadcasting. It's about world trade — \$2 trillion in 1981 — nearly \$5 trillion by 1988.*

With the formation of the new General Electric Trading Company (GETC) in July, GE has created exciting new export opportunities both for itself and for a lot of other U.S. companies as well.

### **A new world economy**

For many years, most U.S. companies could legitimately ask: Why bother with exports? The world's largest market was right here, and growing quickly enough to satisfy almost any company's ambition.

But the world is different now. The U.S. is part of an interdependent world economy, and its share of that world economy fell from 33 percent in the mid-'60s to 20 percent today. With this shift, the markets of other nations clearly represent enormous opportunities for U.S. businesses.

### **Enormous, and untapped, opportunities**

Despite the sheer size of the growing world-trade markets, thousands of U.S. companies that could compete do not. In fact, only one percent of U.S. firms now account for 80 percent of America's exports.

While the U.S. share of world exports has been declining, the GE story is very different. General Electric's exports have soared — from \$1.9 billion in 1976 to more than \$4 billion last year.

Today, General Electric is the nation's leading diversified exporter.





## Helping smaller companies

With its international business know-how, the new General Electric Trading Company will help small-to-medium-sized U.S. manufacturers win in world markets — an arena where most of them are not yet even playing.

GETC will help these U.S. manufacturers overcome the many real obstacles that now stand in the way of exporting industrial and technical products.

Such hurdles include the 45 or more documents typically required for an export transaction; dramatic currency fluctuations; the half-dozen languages that might be involved in a complex deal; nightmarish red tape; not to mention the most basic barrier of all — lack of reliable information about the markets themselves.

## One-stop export service

GETC President and CEO George J. Stathakis, a 29-year GE veteran who has spent much of his career in international marketing, says: "The trading company is an idea whose time has come. It was set up to offer clients one-stop export services, ranging from market identification, to sales and distribution, to financing."

For example, GETC will service its first U.S. client — Sioux Tools, Inc., of Sioux City, Iowa — by purchasing that firm's pneumatic and electrical tools and reselling them abroad.

GETC can draw on the parent Company's sales representatives and distributors in 140 countries; its 156 GE and franchised service shops; its more than 120 affiliated companies; plus the largest commercially available worldwide teleprocessing network, connecting over 750 cities.

## Trading jets for bearings

Serving international markets frequently requires more art than science.

Take the burgeoning requirements for "counter-trade" — when the only way to make a sale in a foreign country may be to help that country boost its *own* exports. It may mean trading U.S. products for some of *their* products, and then reselling their products in world markets.

A recent example: To win a \$300 million jet engine order in Sweden, GE headed off a challenge from the competition by developing a countertrade package with 25 different elements that helped meet Swedish government requirements. These ranged from buying Swedish bearings for international resale, to licensing an electrical generator system from General Electric's aerospace business, to the joint development of a Swedish off-highway vehicle using GE electric wheel technology.

## Projected Average Annual Growth

|                                  |            |
|----------------------------------|------------|
| <b>World Trade</b>               | <b>15%</b> |
| <b>Vs. Some Key U.S. Markets</b> |            |
| Word Processors                  | 14         |
| Broadcasting                     | 13         |
| Analytical Instruments           | 13         |
| Copiers/Duplicators              | 11         |



Such difficult transactions help explain why GE is ideally suited for this trading role. It's a big company, of course, with large-scale international resources. But, through GETC, it also has the agility of a smaller company. "Our traders," says Stathakis, "can act quickly to take advantage of fast-moving, but very promising opportunities."

Recently, for example, in a highly competitive worldwide bidding contest, GETC people were able, *in only 30 days*, to deliver a complete proposal for the major electrical equipment for Saudi Arabia's new King Saud University. GETC won the order.

### Where the markets are dynamic

Many of the greatest opportunities in world trade lie in developing nations of the Middle East, Africa, Latin America and Southeast Asia. These are GETC's main targets: dynamic nations surging ahead; developing natural resources; building railroads and ports, hospitals and schools; and sometimes creating whole new cities and towns.

"For some of these countries, the construction crane has practically become a new national symbol," says Stathakis.

These opportunities, of course, do not just benefit the developing nations. They have a significant impact on the quality of the U.S. economy. A billion dollars of U.S. exports provides 32,000 American jobs. Last year, GE exports, *alone*, supported 128,000 jobs in the United States.

### Return of the Yankee trader

The export prospects of the new trading company, coupled with General Electric's already record exports last year, should help recapture the spirit and excitement of the pioneering days of the legendary Yankee trader.

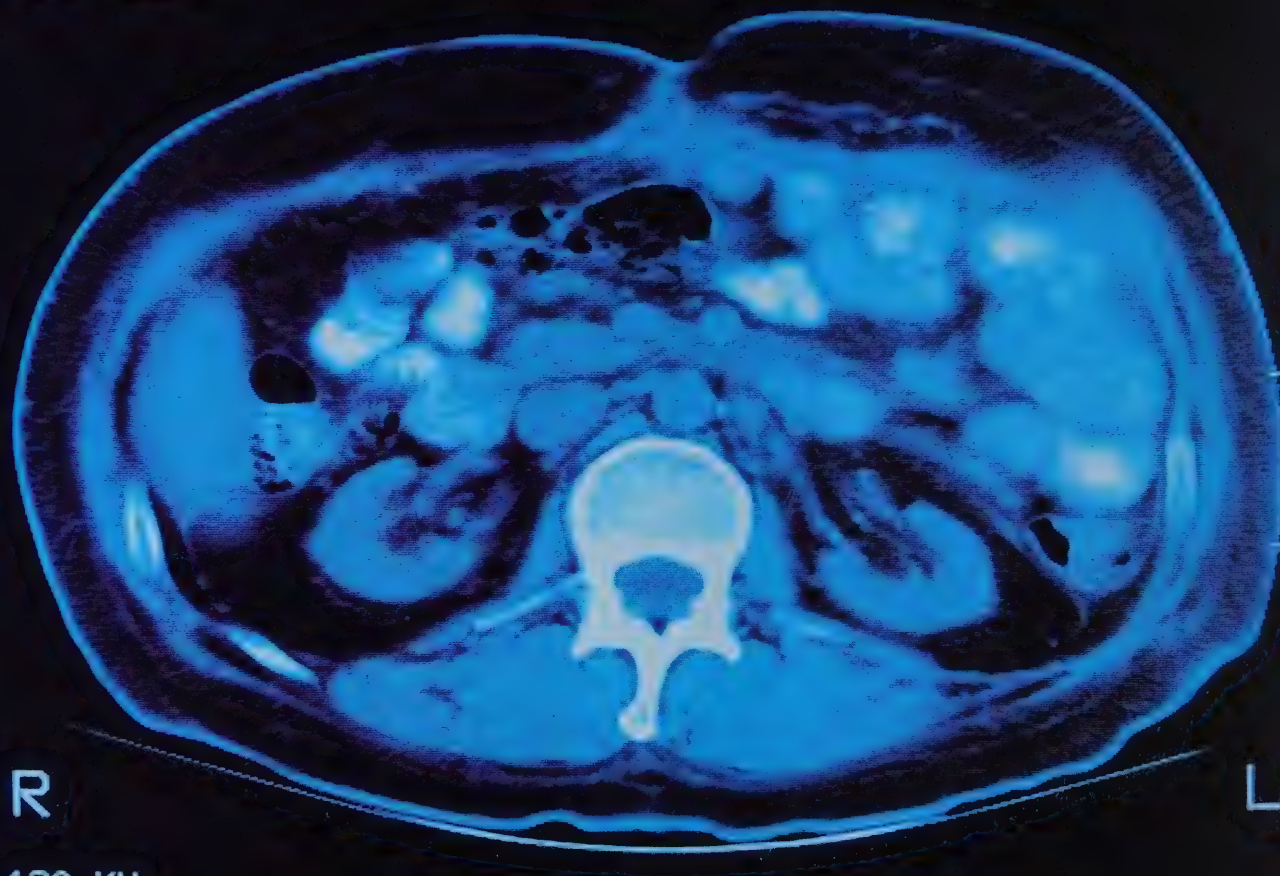
"More than 150 years ago," Stathakis observes, "the French writer Alexis de Tocqueville warned the Old World that while its captains stayed close to snug harbors, the Yankee was a trader who pushed his ships out into stormy seas. With the new General Electric Trading Company, that Yankee trading spirit is alive again."

The course is set for higher exports, with GETC projecting a multibillion-dollar opportunity in increased annual exports by 1987. □



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Clearer, faster and more detailed images of internal body organs are produced by the new CT 9800 scanner, GE's latest advance in "fan beam" CT technology.

Left: The medical lamps in this Rochester, N.Y., operating room have reflectors made of ULTEM® resin, a new heat-resistant GE plastic, instead of breakable glass.

# Innovation: source of success

*General Electric has accumulated more than 50,000 patents in its history, more than any other company, but these inventions wouldn't be worth the paper they're written on if they hadn't been mothered by necessity. That's what creates an innovation — the marriage of technology with a market.*

Thomas Edison capitalized on innovation, not invention. He saw a need for more efficient lighting than gas lamps and developed an electrical business centered on the incandescent lamp.

Today, that spirit of innovation remains the principal source of growth for General Electric businesses. It's making bold moves possible in medical diagnostics, materials, information services, advanced electronics, factory automation and other high-growth areas.

## **Innovation in diagnostics**

In medical diagnostics, GE continues to build upon the technology that has made it the world's leading supplier of CT (computerized tomography) scanners. The Company's latest scanner, introduced late last year, allows doctors to see anatomy with greater resolution and detail because it can image body organs more quickly than previous models. The faster a picture is taken, the less chance there is for body movement to distort the image.

Meanwhile, GE is developing nuclear magnetic resonance into a practical diagnostic tool. This technology, using powerful magnets and radio frequencies rather than x-rays, promises to give doctors new insight into tissue metabolism and chemical composition.

Diagnostics go beyond the medical profession. New inspection systems, based on GE research, have improved the quality of Company products from light bulbs to aircraft engines.



The newly reopened Springer Mine in Nevada produces tungsten for the GE lighting business and other customers.

Below: Mining technology used at Utah International's minerals lab includes this process for making glassy, wafer-like ore samples that will be assayed by x-ray fluorescence.





### Innovation with materials

Perhaps nowhere has innovation been more prevalent than in the materials area. Two recent GE examples:

- The need for lightweight plastics that can withstand tough environments, especially high temperatures, lies behind the GE development of a new polymer family. Introduced in February, ULTEM® resin is replacing other materials in automotive components, appliances and electrical/electronic parts.
- Another material, quartz, has been used by GE for nearly 40 years. But the same technological leadership that produces extremely pure quartz for the lighting business is useful in the semiconductor business, where silicon crystals are grown in GE quartz crucibles. Quartz' refractive qualities also make it the perfect tube material for optical fibers used by the communications industry.

### Innovation in information

In business communications, General Electric Information Services Company has commercialized an electronic communications system that gives users a "constant mailbox." Developed by GE, the system allows correspondence, reports or data to be accessed immediately — via a local phone call — by terminals at multiple locations.

To provide software services for the energy market, GE Information Services now offers innovative programs that convert geologic data into contour maps, analyze oil and gas reserves, and keep tight control on drilling activities.

### Innovation in the sky

The worldwide search for mineral resources employs another GE innovation: Landsat satellites from the Space Systems Division. These "eyes in the sky" have helped locate mineral deposits in remote areas.

The GE natural resources affiliate, Utah International Inc., operates a minerals lab where technologists assay the value of deposits and develop better processes to treat and refine ores.



Technicians at the recently opened Microelectronics Center in North Carolina prepare semiconductor wafers for the computerized diffusion process, a key step in producing advanced electronics for GE products.

Left: Software programs under development at the R&D Center aim to improve the design and analysis of products and parts.



### **Innovation on a chip**

Advanced electronics is another fast-moving area for GE. Here, the research goal is to lower costs and extend the use of microprocessors by putting more switches onto a chip — up to a million transistors on a semiconductor the size of a fingernail.

These very-large-scale integrated circuits will make possible more versatile, cost-efficient products in GE businesses ranging from aerospace to mobile radio to household appliances.

The advanced techniques that produce signal electronic chips are being used by GE to revolutionize power electronics. These new devices can do power-switching chores at less cost and less power loss than competitive devices.

### **Innovation for the factory**

Factory automation also includes a cluster of innovations from GE.

In computer-aided design and engineering, for example, one next-generation package is called “tricubic” solid modeling. It allows engineers to draw and analyze — on a computer terminal — realistic, three-dimensional images of sculptured products and parts.

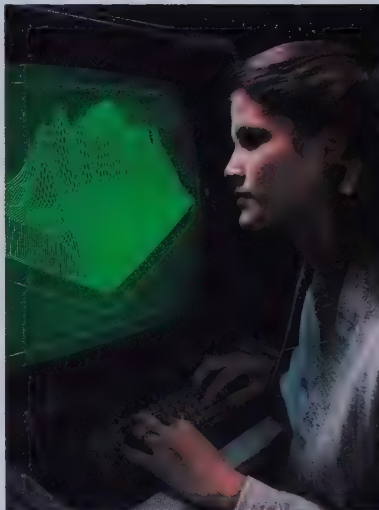
Another GE software package is aimed at the plastics industry. Instead of building costly prototypes of molds for plastic products on the factory floor, engineers can now design and test them on a computer screen. With this technology, several GE businesses have lowered production costs, improved quality and speeded up the development cycle. Also, Canadian General Electric used it to start up a mold-making venture in 1981.

### **Innovation for tomorrow**

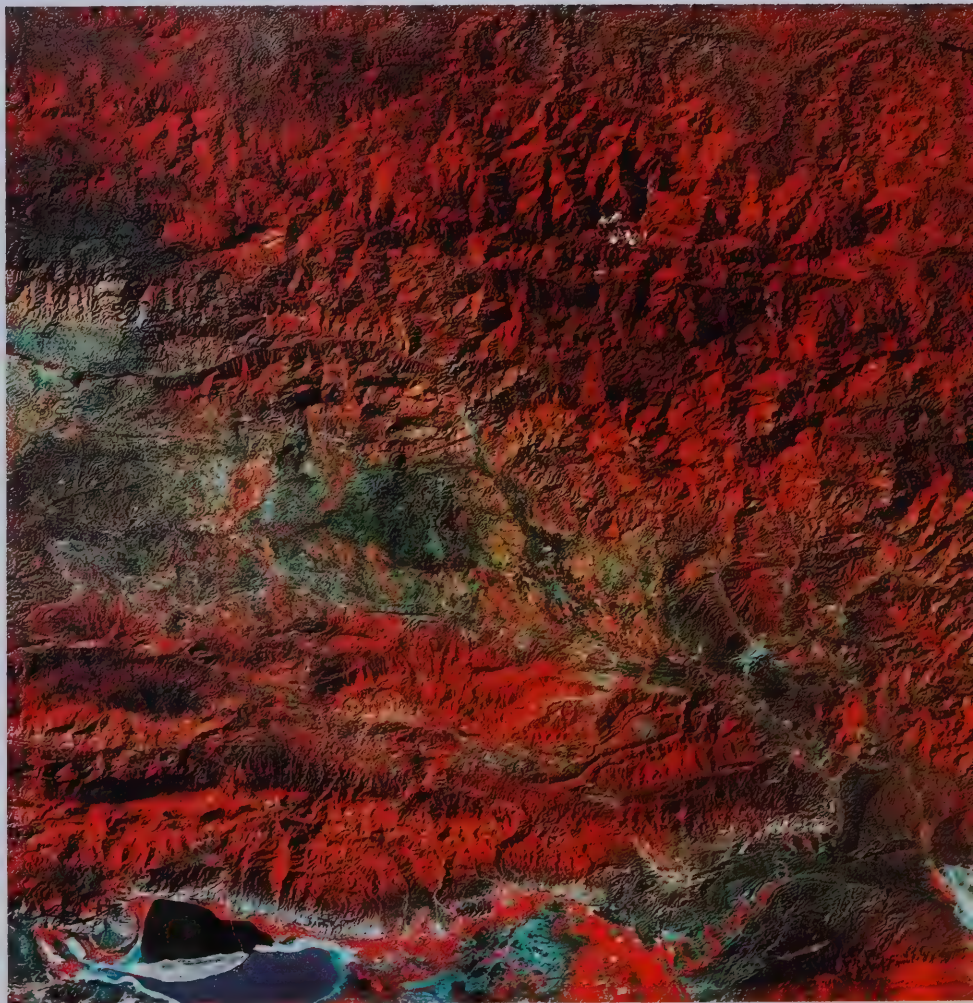
The innovations noted here are only a small reflection of the many developments coming out of the corporate R&D Center in upstate New York and over 100 product development labs attached to specific GE businesses worldwide.

Together, these facilities support the marketing strategies for GE's diverse businesses while providing the technological leadership that will assure GE a major role in tomorrow's economy. □

The search for energy and mineral resources is aided by modern technology, such as this contour mapping program shown at the Houston Energy Center just opened by General Electric Information Services Company.



Below: A color-enhanced image of the Dominican Republic, taken from earth orbit by a GE Landsat satellite, helps identify surface features for oil and gas exploration.





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 year earlier. Share-  
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 which aggregated  
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 and dividends for pro-  
 and the Company de-  
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GENERAL ELECTRIC  
**SHARE OWNER**

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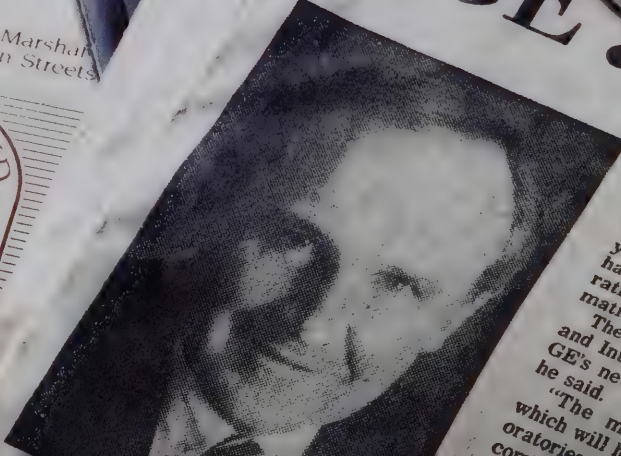
Virginia Room  
 The Hotel John Marshall  
 Fifth and Franklin Streets



10:00 a.m. Wednesday  
 April 28, 1982



Richmond Times-Dispatch  
 Section E  
**2 GE acquisitions**



By Elliott Cooper  
 Times-Dispatch Business Editor

Following up on comments he made a year ago, John F. Welch Jr., chairman of General Electric Co., told stockholders yesterday that two 1981 acquisitions have helped reduce the gap in the corporation's ability to supply advanced automation systems.  
 The two electronics firms, Calma Corp. and Intersil Inc., have been rolled into GE's new industrial electronics division, he said.  
 "The multimillion-dollar acquisitions, which will help

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## **Share owners convene at session in Richmond**

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# *Annual Meeting Report*

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***More than 470 people attended General Electric's Annual Meeting this year — and 84% of the shares eligible to vote were represented by proxies.***

John F. Welch, Jr., General Electric's Chief Executive Officer and Chairman of the Board of Directors, presided at the Company's Annual Meeting on April 28th in Richmond, Va.

"Our half-million share owners live all over the country, and there are many in this area," he said. "General Electric also has almost 15,000 employees in Virginia, so while this is the first time we've held our Annual Meeting in Richmond, we've been citizens of this state for many years."

In introducing the matters to be voted upon at the meeting, Mr. Welch reported that proxies had been received representing approximately 84% of the outstanding shares eligible to vote, and that the management Proxy Committee had voted those shares in accordance with the share owners' wishes. Results of the voting are shown on page 25.

The Chairman's introduction and opening remarks were interrupted three times by people protesting against nuclear weapons.

The 17 incumbent Directors listed in the Proxy Statement were placed in nomination to serve for the coming year. No additional nominations were made.

The reappointment of Peat, Marwick, Mitchell & Co. as Independent Certified Public Accountants for the Company was then proposed.

During the discussion, Wilma Soss, a share owner, asked several questions on the rotation of auditors, auditors' fees, and on the auditing of the Company's foreign holdings and the profit-sharing and pension plans.

The first share owner proposal, submitted by Evelyn Y. Davis, of Washington, D.C., asked for regular reports to share owners on the employment of men as secretaries, stenographers, typists, receptionists, telephone operators and file clerks in GE's executive office. No one spoke on behalf of the resolution.

The second share owner proposal, submitted by Lewis D. and John J. Gilbert and Mrs. Wilma Soss, all of New York City, called for a Company fixed-dollar ceiling on executive pensions, in addition to those already provided under law by the Employee Retirement Income Security Act of 1974. Mrs. Soss spoke for the proposal.



## **Share owners convene at session in Richmond**

The third share owner proposal, submitted by Isabel C. D. Hatchett, of Richmond, Va., asked the Company to let schools to whom the Company makes grants know that we don't want them to obstruct the work of U.S. intelligence agencies on their campuses. Share owner F. Dana Payne spoke for the proposal.

Mr. Welch said that some of our greatest universities have, and probably will continue to have, policies that GE might not like, but that was their prerogative. The Chairman commented that, in its quest for excellence, the Company must deal effectively with all kinds of institutions, even if some of their policies might not be in accord with management's thinking.

The fourth share owner proposal, submitted by Foundation for the Study of Philanthropy President Andrew W. Duncan, of Hampton, Va., recommended that the Company have no research work conducted in any university department which GE knows to employ avowed Communists or Marxists. Mr. Duncan spoke for the proposal.

The fifth share owner proposal, submitted by a number of church groups coordinated by the Interfaith Center on Corporate Responsibility in New York City, asked that a non-employee member of the Board of Directors be assigned oversight responsibility for any biotechnology research and production. The Rev. Bernard Campbell spoke on behalf of the proposal.

The sixth share owner proposal, submitted by Mrs. Patricia T. Birnie, of Columbia, Md., and a number of co-filers, called for the Company to stop selling nuclear reactors and nuclear fuel overseas, and instead promote alternate energy systems. Mrs. Birnie spoke for the proposal.

Chairman Welch requested that the seventh and eighth share owner proposals be considered together.

The seventh share owner proposal, submitted by a number of church groups coordinated by the Interfaith Center on Corporate Responsibility in New York City, opposed renewal of the contract General Electric has to operate the Pinellas, Fla., plant for the United States Department of Energy. The plant produces electronic components for use in the U.S. nuclear weapons program.

The eighth share owner proposal, submitted by John V. Surr, of Bethesda, Md., requested the Company to stop all activity related to the U.S. nuclear weapons program.

Merold Westphal, an elder in the Reformed Church of America, spoke for the seventh proposal, and Mr. Surr spoke on behalf of the eighth proposal.

During discussion on the proposals, Mr. Welch was asked whether the Company has a position on the bilateral nuclear freeze. He said, "No. We have a very clear-cut position on our role supporting our government's national defense effort."

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***Commenting on the Ontario plant closing, Mr. Welch said that "we didn't come to this decision easily, but when we did, treating our people fairly was a clear priority."***

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The ninth share owner proposal, also submitted by a number of church groups, called for a report, with names and locations, on plants likely to be closed over the next five years, and for the development and distribution to share owners of a plant-closing policy. Mary Jane Baker, representing the Episcopal Church Publishing Company, spoke for the proposal, and there was lengthy discussion focusing on the recent closing of the General Electric iron plant in Ontario, Calif.

Commenting on the Ontario plant closing, Mr. Welch said that "we didn't come to this decision easily, but when we did, treating our people fairly was a clear priority. We gave seven months' advance notice, established a placement center for displaced people, extended life and medical coverage, provided significant compensation benefits to those that were laid off, and finally negotiated the sale of the plant to a company which expects to employ many of our skilled workers in its business."

The tenth share owner proposal, submitted by Louis A. Brusati, of Chicago, proposed limiting supplemental solicitation of proxies after the first general solicitation by the Company. It also pro-

posed that any permitted supplemental solicitation be made by mail to all holders of record from whom proxies had not been received. Mr. Brusati presented the proposal.

During the general question period, share owner Allen Townsend asked about General Electric retirees' pension and medical benefits. Another share owner asked whether the Company publishes statistics showing the employment of women and minorities in managerial and professional categories. The Chairman referred to such information included in the Annual Report, adding that "we're eagerly trying to increase our population in these areas."

Sister Valerie Heinonen noted press reports that GE was considering two investments in South African mining. She urged that the Company not proceed with either one. Mr. Welch said that the investments "are not currently active."

Other share owner questions involved the Company's minority purchasing program, affirmative action, the procedures for counting ballots, dividends, and factory automation.

The Inspectors of Election announced the results of the balloting as follows:

- The 17 nominees for the Board of Directors were re-elected for the ensuing year.
- Peat, Marwick, Mitchell & Co. were reappointed as Independent Certified Public Accountants for 1982, with a favorable vote of 99.8% of the shares voted.

None of the share owner proposals were adopted:

- Share Owner Proposal No. 1, relating to employment practices in the hiring of men, received a favorable vote of 1.2% of the shares voted.
- Share Owner Proposal No. 2, relating to ceilings on executive pensions, received a favorable vote of 2.9%.
- Share Owner Proposal No. 3, relating to grants to colleges obstructing work of U.S. intelligence agencies, received a favorable vote of 2.2%.
- Share Owner Proposal No. 4, relating to research work conducted in colleges employing Communists, received a favorable vote of 2.5%.



- Share Owner Proposal No. 5, relating to the monitoring of biotechnology research, received a favorable vote of 1.7%.
- Share Owner Proposal No. 6, relating to nuclear reactor and fuel sales abroad, received a favorable vote of 2.1%.
- Share Owner Proposal No. 7, relating to the Pinellas plant, received a favorable vote of 2.0%.
- Share Owner Proposal No. 8, relating to nuclear weapons or systems, received a favorable vote of 1.9%.
- Share Owner Proposal No. 9, relating to plant closings, received a favorable vote of 1.8%.
- Share Owner Proposal No. 10, relating to supplemental proxy solicitations, received a favorable vote of 1.4%.

Chairman Welch reminded share owners that if they have questions to ask management at any time during the year, they may write Investor Relations at Fairfield, Conn. He then adjourned the meeting, thanking the attendees "on behalf of the Board of Directors and over 400,000 General Electric employees (for) your patience, for being here, and for presenting your very thoughtful views. We all learned a lot." □



# Investors are asking

**The Company is committed to being Number One or Number Two in every business it is in.**

**Q** *In which business areas do you see General Electric's most promising opportunities for growth?*

**A** As we told you in the 1981 Annual Report, General Electric has set its sights on fast growth in a slow-growth economy. In most of the Company's core businesses, the tradition of innovation — of marrying technology with market needs — has given us leadership.

GE diversity provides continuous market contact with some of the newer, more vital arenas of the world's economy. The fastest growth opportunities are seen in service businesses such as information and financial services, and construction and engineering services. Factory automation, engineered materials, natural resources, transportation, medical systems and exports are other major examples.

**Q** *What makes GE decide to close down a manufacturing facility?*

**A** The Company is committed to being Number One or Number Two in every business it is in — to be the most successful diversified enterprise in a highly competitive business environment.

The subject of plant closings and jobs goes to the heart of much of this Company's philosophy. Because GE is one of America's largest manufacturing enterprises — with over 400,000 people employed, some 280,000 domestically — the issue of jobs, job security and plant closings has to have a significant impact on the Company's thinking.

One thing the '70s should have taught us is that the best solution to job security, to workers' living standards and family life and health, is for business to have world-competitive product and service offerings.

Everyone is familiar with the unemployment lines in the American cities where industries were affected because they weren't world-competitive.

The decision to close a plant is always difficult. In the case of the Ontario, Calif., metal iron plant, GE was in a business that consumers were moving away from. The Company was losing its competitiveness. The solution to the lower-cost, higher-quality demands of the marketplace, in this particular case, was a new plastic iron design, manufactured offshore. The metal iron plant was closed because the product was rapidly becoming obsolete. Many people were led to believe that the Company closed a profitable business. That is simply not so. The fact is that the metal iron business lost an average of \$3 million in both 1980 and 1981, and was projected to lose substantially more in 1982 as the market for metal irons continued to decrease.

Management is well aware of the serious impact closings have on General Electric families and the rest of the community. However, plant closings are sometimes necessary to maintain the type of enterprise that wins in world markets. Only a profitable, successful, growing enterprise can provide the social dividends that employees and communities have come to expect. The Company is determined to provide these social dividends, and to do it by being the most competitive enterprise in the business world.



**Opportunities for any nuclear export orders placed on GE are carefully screened on a case-by-case basis.**

**Q Why does GE continue to manufacture components for nuclear weapons?**

**A** It is abundantly clear that the issue of nuclear weapons is a matter of broad-based and growing concern, both in this country and in the world at large.

And it is equally clear that a consensus needs to be found in this urgent debate. For without some measure of consensus, feelings can't be turned into policies through the political process. It goes without saying, consensus can be found in the fundamental purpose of peace — indeed the absolute imperative of peace, when dealing with nuclear arms. How to achieve or keep that peace is what divides people.

Clearly, there is a strong coalition of support for the basic need for arms control — whether it's on moral, social or fiscal grounds.

It's in the process — its pace and degree, and who should take what initiative — where people currently come apart in the debate, and *that* should be the proper focus of the public and political debate.

What is the Company's role or position in all of this, beyond the fundamental and obvious imperative of wanting peace?

Our government has concluded — and today a majority of American public opinion would concur — that under present world conditions, national defense efforts must continue and be supported.

Our government relies upon the technical and manufacturing capability of the U.S. private sector to fulfill its national defense requirements. And GE, with its technological capability, is naturally one of the companies most qualified to meet these needs.

So: Where the government has determined it needs to get defense work done, the Company plans to continue its participation in the nation's defense activities, both to serve share owners and, above all, to support our government.

**Q Why does GE promote the sale of nuclear reactors and fuel overseas?**

**A** Opportunities for any nuclear orders placed on GE are carefully screened on a case-by-case basis, taking into account considerations such as national security, compatibility with existing GE commitments, availability of the Company's resources and, of course, contractual risks and profitability.

Despite a current softness in world oil markets, the U.S. and nations less richly endowed with alternative energy supplies are committed to reducing dependence on imported oil — both to reduce unfavorable balances of payments and to defuse international tensions. That means that, for the foreseeable future, the U.S. and other nations cannot afford to close out any energy option, including the nuclear option.

The Company is a leader in meeting this world energy challenge, not only in the manufacture of equipment to produce electricity, but also in redesigning appliances and equipment to be more energy-efficient and, through Utah International, as a supplier of coal, petroleum and natural gas. Moreover, GE is active in research and development in the areas of coal gasification, wind power, geothermal, biomass, solar and other forms of energy.

At the present, a number of industrialized and developing coun-



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**General Electric clearly can't be the sort of company it aspires to be unless each of the operating units is filled with individuals bursting with innovative ideas.**

tries have strong nuclear commitments to help reduce their dependence on foreign oil.

GE has reported to share owners regularly on the Company's nuclear business and total energy effort, and plans to continue doing so. GE's nuclear activities were modestly profitable in '81, reflecting a healthy fuel and services business.

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**Q The major appliance industry has been hit hard by the recession. Is there a possibility that we may have to leave this traditional business?**

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**A** No. Right now, the major appliance industry, with high interest rates and low housing starts, is under severe pressure. But we clearly have a leadership position along with Whirlpool in this industry.

As we see it, there is no reason why over the long haul we should not be able to continue to compete very effectively in the various market niches we serve.

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**Q What is the significance of the Company's current emphasis on giving the managers of its individual businesses a sense of ownership? What does "ownership" mean?**

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**A** In this context, ownership at General Electric means gradually moving to a more decentralized philosophy. It means transferring responsibility to the individual leaders of the Company's businesses — and they, in turn, to their organizations.

It entails action at the individual level. It means taking hold of the operating mission, taking charge of its execution, and taking responsibility for its results. General Electric clearly can't be the sort of company

it aspires to be unless each of the operating units is filled with individuals bursting with innovative ideas — acting as owners of their businesses, and imbued with a passion for their own version of competitive excellence, for winning in their markets.

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**Q Has GE stepped up its contributions programs as federal funding has declined?**

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**A** Contributions have been on an upward trend, well before the decline in federal funding. General Electric and its Foundation provided domestic contributions of nearly \$12 million in 1980; \$16 million in 1981; and something higher in 1982 — it's too early to tell.

Meanwhile, the Company is contributing to research efforts aimed at understanding better the real effects of declines in federal funding on both service suppliers and people in need.

General Electric's support activities are reviewed in detail by the Board of Directors' Public Responsibilities Committee and require the approval of the full Board. Major companies like General Electric provide the largest part by far of all corporate contributions to the not-for-profit sector. □







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